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COMMITTEE MEETING  
STATE OF CALIFORNIA  
INTEGRATED WASTE MANAGEMENT BOARD  
SUSTAINABILITY AND MARKET DEVELOPMENT COMMITTEE

JOE SERNA, JR., CALEPA BUILDING  
1001 I STREET  
2ND FLOOR  
COASTAL HEARING ROOM  
SACRAMENTO, CALIFORNIA

TUESDAY, OCTOBER 4, 2005  
10:00 A.M.

TIFFANY C. KRAFT, CSR, RPR  
CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 12277

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Rosario Marin, Chair

Mr. Carl Washington

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Ms. Marie Carter, Chief Counsel

Ms. Jeannine Bakulich, Executive Assistant

Mr. Elliot Block, Staff Counsel

Ms. Terri Edwards, Staff

Ms. Judy Friedman, Acting Deputy Director, Waste  
Prevention and Market Development Division

Mr. Jeff Hunts, Supervisor, Electronic Waste Recycling  
Section

Mr. Raffy Kouyoumdjian, Staff

Ms. Sue Ingle, Staff

Mr. Jim La Tanner, Supervisor, Loan Program

Ms. Natalie Lee, Staff

Ms. Nikki Mizwinski, Staff

Mr. Phil Moralez, Branch Manager, State and Local  
Assistance Branch

Mr. Chris Peck, Supervisor, Media/Outreach Services

Mr. Steve Sorelle, Supervisor, Office of Local Assistance,  
North Section

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APPEARANCES CONTINUED

STAFF

Mr. Don Tsukimura, Staff

Ms. Shirley Willd-Wagner, Branch Manager, Electronic  
Waste Recycling Branch

ALSO PRESENT

Ms. Katherine Brandenburg, Flanigan Law Firm

Ms. Alyson Burleigh, Aurora Environmental, Inc.

Ms. Karen Coca, Los Angeles Area Regional Agency

Mr. Jay Cranford, Cranford, Inc.

Mr. John Davis, High Desert RMDZ

Ms. Julie Dunn, Dunn & Son Recycling

Mr. Evan Edgar, California Refuse Removal Council

Mr. Allen Ennis, President, Sierra Pacific Packaging, Inc.

Ms. Robin Gentz, Government Affairs Issues Manager, Clorox  
Company

Mr. Vinay Goel, Apple Computer

Ms. Christine Henke, American Electronics Association

Mr. Dennis Kazarian, e-Recycling

Mr. Leonard Lang, Allan Company

Mr. Tony Morabito, Hewlett-Packard

Mr. Mark Murray, Californians Against Waste

Ms. Vicki Ryther, Chief Financial Officer, Sierra Pacific  
Packaging, Inc.

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APPEARANCES CONTINUED

ALSO PRESENT

Ms. Joan Smith, Zone Administrator, Siskyou County

Mr. Matt Valentine, Assistant City Manager, City of San  
Marino

Mr. Chuck White, Waste Management

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1 PROCEEDINGS

2 CHAIRPERSON MARIN: Good morning. We're going to  
3 start now. Thank you very much. Welcome to the  
4 Sustainability and Markets Development Committee of the  
5 California Integrated Waste Management Board.

6 We have only two Board members today. Ms. Cheryl  
7 Peace is unable to join us today. But I think we can  
8 handle it. As a matter of fact, it will probably go  
9 rather fast. For those of you that follow our Board, you  
10 know what I'm talking about. We like her very, very much.  
11 She's really awesome.

12 Any ex partes?

13 COMMITTEE MEMBER WASHINGTON: I'm up to date.

14 CHAIRPERSON MARIN: So am I.

15 It's going to be a fun day. You should know,  
16 just for the record, they should not let us, the two of  
17 us, alone anywhere. So Cheryl is missing here. But we'll  
18 have a great Committee meeting. And we're going to get  
19 the job done rather quickly. So let me see.

20 What do I need to tell people? Phones, silence  
21 your phones, please. There are speaker slips in the back  
22 of the room. For those that need to address the Board,  
23 just give your speaker slips to Ms. Jeannine Bakulich.  
24 And that's about it.

25 We're ready to hit the ground running,



1 Mr. Schiavo.

2 DEPUTY DIRECTOR SCHIAVO: Good morning.

3 CHAIRPERSON MARIN: Oh, call the roll. We need  
4 to call the roll. That's right. Even though we already  
5 know there's only two out of three. Go ahead. Call the  
6 roll.

7 EXECUTIVE ASSISTANT BAKULICH: Washington?

8 COMMITTEE MEMBER WASHINGTON: Here.

9 EXECUTIVE ASSISTANT BAKULICH: Marin?

10 CHAIRPERSON MARIN: I'm here. And Ms. Peace is  
11 not.

12 Okay. Now you can start, Mr. Schiavo.

13 DEPUTY DIRECTOR SCHIAVO: Now we feel whole.

14 Pat Schiavo, Diversion, Planning, and Local  
15 Assistance Division.

16 I'm pleased to announce that the Office of  
17 Administrative Law approved the disposal reporting and  
18 adjustment regulations. They were highly complimentary of  
19 Board staff's work on it. I'd like to thank staff from  
20 Permits and Enforcement that assisted us, as well as the  
21 Legal Office which was very involved, and, you know,  
22 particularly our staff who worked over the last, it seemed  
23 like, 28 years to get these things approved, and Board  
24 member support as well when we wound down through the  
25 process to get this done. We needed a lot of help. So

1 that's a real positive thing.

2 Announce that the 2004 electronic annual report  
3 was released to jurisdictions. So we're commencing that  
4 process. We just still have to wait for some of the  
5 control agencies to deliver the numbers to us. But  
6 jurisdictions can be given the process to enter the  
7 program data. That's real good.

8 Just to let you know that staff from the  
9 Diversion, Planning, and Local Assistance Division and  
10 Markets staff have begun work, in particular the RMDZ  
11 staff, working on collaborative ways to look at how to  
12 expand our diversion efforts throughout the state. This  
13 is the beginning of the process, so they had the kick-off  
14 meeting just recently.

15 And then at the San Diego Enviro Fair, staff from  
16 DPLA participated in the fair, and they were dealing with  
17 large public venue issues.

18 And, finally, this weekend we had our Best Buddy  
19 event. Last year, we achieved a 76 percent diversion  
20 rate. This year we believe it will be in the 90s. So  
21 we're real proud of that. Staff did a terrific job  
22 dumpster diving and all trying to make this work. Our ad  
23 turned out really nice. It was prominently displayed in  
24 the -- there's a real clear, concise message up front in  
25 the program. People couldn't miss it. We heard a lot of

1 compliments regarding the "x the waste" logo. And then  
2 the banners, when you saw the writers along the coast, the  
3 banner was really prominent. Probably one of the most --  
4 probably the most prominent of any of the banners there.  
5 So I think everybody did a terrific job, Public Affairs,  
6 our staff. It took a lot of effort. But it's going to  
7 pay off.

8           And later this month we're still preparing for  
9 the Women's Conference in Long Beach, October 27th. And  
10 we're hoping to have results as great or better than what  
11 we achieved.

12           CHAIRPERSON MARIN: I'd like to comment on that,  
13 because, unfortunately, I was not able to join all of you.  
14 And I know we had a great team of writers and a great team  
15 of people that were collecting all of these resources and  
16 having them recycled.

17           I believe that we're going to reach over 95  
18 percent; right? That's pretty close. Somebody told me  
19 it's 95 percent. It's almost zero waste. That is  
20 unbelievable. And I'm really hopeful that we can  
21 replicate that success, not just at the women's  
22 conference. But now that we know what it takes and how to  
23 do it, that other big venues can follow suit.

24           I will tell you a small comment. I was meeting  
25 with the First Lady's staff and they said, "Oh, my God.

1 Your staff is wonderful. I will just tell you one thing.  
2 They came in and they said, 'You know, the bread sticks  
3 have to go.'" Is that true? And there were some concerns  
4 about I guess about the wrapping of the bread sticks. And  
5 they said, "Well, okay. Bread sticks are gone."

6 The way that apparently we worked with them, it  
7 was so nice. They complimented highly the staff. And  
8 just very methodical going through even something as  
9 insignificant as the bread sticks, you know. But you guys  
10 were the ones that said, no, this has to go. And the  
11 bread sticks had to go.

12 But thank you, Pat. And thank you, Phil. And  
13 thank you, everybody, that made this such a successful  
14 event. I know the first lady was very, very happy with  
15 the Best Buddies.

16 I know Ms. Shriver had the great company of  
17 Mr. Mark Leary and his wonderful wife for a portion of the  
18 event. I think that was a great treat. And I know she  
19 thanked you profusely for having the Board take those  
20 incredible steps to protect the environment.

21 So do you want to say something about that?

22 EXECUTIVE DIRECTOR LEARY: Only that it was truly  
23 a pleasure, Madam Chair, to spend the time we did with a  
24 woman of history in Eunice Kennedy Schriver that evening.  
25 It just touched the family, touched their commitment to

1 social responsibility and the environment. It was just  
2 one of the highlights of my professional career.

3 CHAIRPERSON MARIN: Great. Thank you. Thank  
4 you, Pat. Thank you to staff.

5 DEPUTY DIRECTOR SCHIAVO: Again, just staff did a  
6 great job as well as the San Luis Obispo management staff  
7 there worked together real well to make a better future.

8 That concludes my report.

9 CHAIRPERSON MARIN: Okay. Perfect. That takes  
10 us to Item 3, or Item B.

11 DEPUTY DIRECTOR SCHIAVO: This is Consideration  
12 of the Amended Los Angeles Area Integrated Waste  
13 Management Authority Regional Agency Agreement and  
14 Issuance of a Revised Compliance Order. And Phil Morales  
15 will present this item.

16 CHAIRPERSON MARIN: Okay, Phil.

17 BRANCH MANAGER MORALEZ: Good morning, Committee  
18 members.

19 The cities of Artesia, Beverly Hills, Duarte,  
20 Hidden Hills, Los Angeles, Lynwood, Manhattan Beach,  
21 Pomona, Rancho Palos Verdes, Redondo Beach, Rosemead,  
22 Sierra Madre, South Gate, and Torrance adopted a Joint  
23 Power Agreement, a JPA, establishing the Los Angeles Area  
24 Integrated Waste Management Authority, we call as LARA.  
25 The JPA became effective and the Board approved it as a

1 regional agency on January 13th, 2004.

2 Effective January 15th, 2005, and June 16th,  
3 2005, LARA amended its JPA to include the cities of  
4 Hermosa Beach and the city of Palo Verde Estates  
5 respectively as members of the JPA. The LARA  
6 administration is now requesting the Board approve an  
7 amendment to the regional agency to include the cities as  
8 members.

9 Public Resources Code Section 40970 allows cities  
10 and counties to form a regional agency for the purpose of  
11 meeting the state's waste diversion goals. If approved by  
12 the Board as a regional agency, the agency will be  
13 responsible for compliance with the waste diversion  
14 requirements set forth in the Public Resources Code  
15 Section 41780.

16 As noted in the agenda item, the city of Hermosa  
17 Beach was issued a Compliance Order by the Board on  
18 November 2004. Board staff has worked with the city to  
19 develop a Local Assistance Plan, a LAP, as required by the  
20 Compliance Order. The LAP was prepared and signed by the  
21 city on February 24th, 2005.

22 Recognizing the emphasis on program  
23 implementation and previous determinations of this Board  
24 with regard to regional agency members and completing  
25 program activities identified in time extensions or Local

1 Assistance Plans, Board staff recommends that if the Board  
2 approves the regional agency, it has also placed  
3 conditions to require program activities specified in the  
4 city's LAP be completed. This condition would be similar  
5 to the conditions already in place when the Board approved  
6 the regional agency with two of its members on a  
7 Compliance Order and nine members working on time  
8 extensions.

9 Board staff recommends the Board approve Option  
10 2, Board approval of amendment to the regional agency  
11 formation agreement between LARA and the cities and  
12 approve the LARA Compliance Order 04-1 as revised. The  
13 amendment approval is conditioned with a requirement that  
14 the program's activities specified in the city of Hermosa  
15 Beach's Board-authorized Compliance Order must be  
16 completed and fully implemented and that the city of Palos  
17 Verde Estates continue to fully implement programs  
18 identified in this source reduction recycling element.

19 This concludes my presentation. The LARA  
20 representative, Karen Coca, is present to answer any  
21 questions you may have.

22 CHAIRPERSON MARIN: Excellent.

23 Where's Ms. Coca? Thank you so very much for  
24 coming. We really appreciate you being here. And I have  
25 no concerns with LARA as presented. I want to make sure

1 that the cities do not think somewhere, somehow they're  
2 going to get away from their Compliance Order. They need  
3 to make sure -- and my hope when I look at this particular  
4 regional agency is that you help them meet those goals.  
5 The Compliance Order still stands for them. There is --  
6 you know what I'm saying?

7 MS. COCA: Yes. Karen Coca, City of Los Angeles,  
8 for the record. Thank you for hearing this item today.

9 And yes, we take the responsibility very  
10 seriously. The cities that are in the agency know that in  
11 no way are they relieved from their obligations to  
12 implement programs. And especially those who have come  
13 under greater scrutiny because of, you know, their  
14 relative either slowness in implementing programs or some  
15 programs haven't worked in the past.

16 And I do meet with -- I met with Board staff in  
17 July. We went over the list of cities. They apprised me  
18 all the cities that needed some help. We offered help to  
19 them. I have staff or a consultant on contract that can  
20 go and help them implement programs, negotiate with  
21 haulers, whatever is necessary that the cities need. But  
22 they know and all the members know that that in no way  
23 relieves them from implementing programs. Because the  
24 point of the regional agency is to improve our diversion,  
25 not relieve people of their obligations.



1           CHAIRPERSON MARIN: Right. I'm happy to hear  
2 that.

3           And you know, all of the cities -- you know, I'm  
4 going to offer Mr. Washington, because he loves all of  
5 those cities in that area. But if there is anything else  
6 that we can do to make this regional agency successful, we  
7 know how other regional agencies in other parts of the  
8 state or Joint Powers Authority how they really come  
9 together and they push each other and they challenge each  
10 other. And you know, when one implements something, then  
11 this other one wants to do it as well. So it's something  
12 I find very beneficial. And when everybody is moving in  
13 one direction and there's a couple of people that are not  
14 quite there yet, I guess it's my hope, and I've seen it,  
15 where it really pushes them over even further. So it is  
16 my hope that helps that.

17           MS. COCA: Yes. We do work together -- and we do  
18 use -- I hate to call it peer pressure. But there is some  
19 comparison of types of programs, what's working in one  
20 jurisdiction and maybe can be improved in another. And we  
21 do a lot of that interaction. And those that need the  
22 extra assistance, as soon as they let us know they need  
23 help, we're there. So that was the intent. And that is  
24 part of it.

25           And I think that if I can work very closely with

1 Board staff -- because the Board has different avenues.  
2 They get different types of information than we do. If we  
3 can work closely together and make sure that that  
4 communication line is always open, I think that will  
5 really help everybody. And we've worked together quite  
6 well so far. And I hope that will continue in the future.

7 CHAIRPERSON MARIN: Thank you, Ms. Coca. And you  
8 have our commitment, and our staff is more than willing,  
9 ready, and able to assist you. The only thing you have to  
10 do is call, and we'll be there.

11 MS. COCA: Thank you.

12 COMMITTEE MEMBER WASHINGTON: Madam Chair, let me  
13 add I'm very proud of the work Karen has done with LARA.  
14 From the inception of coming to the Board, getting this  
15 thing started, to its present state it's in now, she's  
16 really been a stellar staff person for the city of  
17 Los Angeles to get this moving forward. So keep up the  
18 good work, and we know those cities will come under  
19 compliance.

20 MS. COCA: Thank you.

21 And actually we just started our second fiscal  
22 year. Our first, of course, was a shaking-out period.  
23 But we've done training. We've had business awards.  
24 We're now sponsoring the SVBEC WRAP awards for our south  
25 bay cities. And then we started a whole new business

1 awards event for our San Gabriel cities. For this year,  
2 we're developing a website for our customers and also  
3 outreach materials that are regional in nature for us to  
4 use at events. There's a lot happening. We're really  
5 using this and leveraging this as best we can to do as  
6 much as we can for our cities.

7 COMMITTEE MEMBER WASHINGTON: And I would  
8 offer -- I have some friends in San Marino, and I want to  
9 hook you guys up so we can see if we can get them to join  
10 in with the LARA.

11 MS. COCA: I think they would be in very good  
12 company.

13 CHAIRPERSON MARIN: I think they're here today.  
14 I think they're listening to what we're saying.

15 Thank you, Ms. Coca.

16 Is that a motion?

17 COMMITTEE MEMBER WASHINGTON: That's a motion.  
18 Move adoption of Resolution 2005-286, Option 2.

19 CHAIRPERSON MARIN: Excellent. And I will second  
20 that. I don't think you need to take a roll call. But  
21 with a 2-0, that puts it in consent.

22 Item 4.

23 DEPUTY DIRECTOR SCHIAVO: This is Consideration  
24 of the Five-Year Review Report of the Regional Agency for  
25 the Amador County Solid Waste Management Agency. And

1 Natalie Lee will present this item.

2 MS. LEE: Good Morning, Madam Chair and Board  
3 Member Washington. The Amador County Integrated Solid  
4 Waste Management Agency completed its five-year review of  
5 the Regional Agency Integrated Waste Management Plan and  
6 determined that a revision of the plan was not necessary  
7 at this time. Board staff has evaluated the regional  
8 agency's review report and has determined that the  
9 required elements have been addressed. Therefore, it is  
10 staff's recommendation that the Board approve the Amador  
11 County Integrated Solid Waste Management Agency's  
12 assessment that no revisions is necessary.

13 This concludes my presentation. Are there any  
14 questions?

15 CHAIRPERSON MARIN: I don't have any questions  
16 regarding this one. Is anybody here from the  
17 jurisdiction?

18 MS. LEE: Yes. Jim McHargue is here.

19 CHAIRPERSON MARIN: Thank you, Jim, for being  
20 here. You must be doing something good if no revisions  
21 need to be made. Just keep up the good work.

22 COMMITTEE MEMBER WASHINGTON: I'd like to move  
23 adoption of Resolution 2005-287.

24 CHAIRPERSON MARIN: Moved and seconded.

25 Without objection, we'll go to consent.

1 All right. Next item.

2 DEPUTY DIRECTOR SCHIAVO: Item 5 is Consideration  
3 of the Five-Year Review Report for the County of Tulare.  
4 And Nikki Mizwinski will present this item.

5 MS. MIZWINSKI: Good morning, Madam Chair,  
6 members of the Board. The county of Tulare completed its  
7 five-year review of the Countywide Integrated Waste  
8 Management Plan and determined that a revision of the plan  
9 was not necessary at this time. Board staff has evaluated  
10 the county's review report and determined that the  
11 required elements have been addressed. Therefore, it is  
12 staff's recommendation that the Board approve the county  
13 of Tulare's assessment that no revision is necessary.

14 This concludes my presentation.

15 CHAIRPERSON MARIN: Okay. It's the same  
16 situation. I have no questions. There is no  
17 representative of the jurisdiction?

18 MS. MIZWINSKI: Unfortunately, they could not be  
19 present today.

20 CHAIRPERSON MARIN: That's okay. I don't have  
21 any problems with that.

22 Is there a motion?

23 COMMITTEE MEMBER WASHINGTON: I'd like to move  
24 adoption of Resolution 2005-288.

25 CHAIRPERSON MARIN: Okay. Moved and seconded by

1 me. Without objection, it will go on to the consent  
2 calendar.

3 Next item.

4 DEPUTY DIRECTOR SCHIAVO: Number 6 is  
5 Consideration of the Five-Year Review Report for the  
6 County of Placer. And Steve Sorelle will present.

7 CHAIRPERSON MARIN: Hi, Steve.

8 SUPERVISOR SORELLE: Placer County and the local  
9 task force completed its five-year review of the  
10 Countywide Integrated Waste Management Plan. Board staff  
11 has evaluated the county's review report and determined  
12 that the required elements have been addressed.  
13 Therefore, it is staff's recommendation that the Board  
14 approve the county's assessment that no revision is  
15 necessary.

16 This concludes my presentation. Thank you.

17 CHAIRPERSON MARIN: Okay. We're just going to go  
18 through this really, really fast.

19 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
20 like to move adoption of Resolution 2005-289.

21 CHAIRPERSON MARIN: Okay. Moved, and I'll second  
22 that. Without objection, it will go to the consent  
23 calendar. Okay.

24 DEPUTY DIRECTOR SCHIAVO: Steve's also going to  
25 present Item 7, Consideration of Five-Year Review Report

1 for the County of Butte.

2 CHAIRPERSON MARIN: Let me guess, same thing?

3 DEPUTY DIRECTOR SCHIAVO: Same thing, and the  
4 next one as well.

5 SUPERVISOR SORELLE: The county and the local  
6 task force has completed its five-year review of the  
7 Countywide Integrated Waste Management Plan. Board staff  
8 has evaluated the county's review report and determined  
9 that the required elements have been addressed.  
10 Therefore, it's staff recommendation that the Board  
11 approve the county's assessment that no revision is  
12 necessary.

13 This concludes my presentation.

14 CHAIRPERSON MARIN: Okay.

15 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
16 like to move adoption of Resolution 2005-290.

17 CHAIRPERSON MARIN: Okay. And I second that.  
18 Without objection, it will go on to the consent calendar  
19 for the Board.

20 Okay. Next item.

21 DEPUTY DIRECTOR SCHIAVO: Finally, Item 8 is  
22 Consideration of the Five-Year Review Report for the  
23 County of Nevada. And Steve will finish up with this one.

24 SUPERVISOR SORELLE: Nevada County and the local  
25 task force completed its five-year review of the

1 Countywide Integrated Waste Management Plan. The Board  
2 staff have evaluated the county's review report and  
3 determined that the required elements have been addressed.  
4 Therefore, it's staff's recommendation that the Board  
5 approve the county's assessment that no revision is  
6 necessary.

7 This concludes my presentation.

8 CHAIRPERSON MARIN: Thank you. It's the same  
9 thing. Is anybody here from Nevada?

10 SUPERVISOR SORELLE: No.

11 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
12 like to move adoption of Resolution 2005-291.

13 CHAIRPERSON MARIN: Moved, and I second that.

14 Without objection, that will go on to the consent  
15 calendar.

16 DEPUTY DIRECTOR SCHIAVO: And now for something  
17 really different, Item 9, we have Consideration of the  
18 Amended Nondisposal Facility Element for the City of  
19 Rialto, San Bernardino County.

20 CHAIRPERSON MARIN: Okay. Good.

21 MS. EDWARDS: The city of Rialto is amending its  
22 Nondisposal Facility Element, or NDFE, by identifying and  
23 describing the Ener Tech Environmental facility. This  
24 facility will accept biosolids from San Bernardino County  
25 and surrounding counties. The city has submitted all



1 required documentation for this facility and therefore  
2 recommends approval of this amendment to the city of  
3 Rialto's NDFE.

4 This concludes my presentation. Thank you.

5 CHAIRPERSON MARIN: Okay. Mr. Washington, any  
6 questions?

7 COMMITTEE MEMBER WASHINGTON: No questions.

8 I'd like to move adoption of Resolution 2005-292.

9 CHAIRPERSON MARIN: Second that.

10 And without objection, it will go on to the  
11 consent calendar.

12 Let me just tell the people in the audience,  
13 these are very perfunctory items that the Board deals  
14 with, and unless there is a big issue we need to take more  
15 time into it. But it's very perfunctory for those of you  
16 that are not familiar with this set of items. Unless  
17 there is a big controversy, we don't really deal with it.

18 COMMITTEE MEMBER WASHINGTON: There's a couple of  
19 them sitting out there going, oh, man, we're going to have  
20 a good day today.

21 CHAIRPERSON MARIN: But there will be other items  
22 when there will be plenty of discussion, I can tell you  
23 that.

24 Next Item, Number 10, Agenda Item Number 10.

25 DEPUTY DIRECTOR SCHIAVO: This is the final DPLA

1 item today. This is Reconsideration of a Second SB1066  
2 Time Extension Application by the City of San Marino,  
3 Los Angeles County. And Phil Morales will present.

4 CHAIRPERSON MARIN: Mr. Morales.

5 BRANCH MANAGER MORALEZ: Committee members, the  
6 city of San Marino has requested the Board reconsider its  
7 application for a second SB1066 Time Extension request.  
8 The time extension would allow the city through December  
9 31st, 2005, to meet the 50 percent diversion goal.

10 The Board disapproved the city's second time  
11 extension application at the July 19th, 2005, Board  
12 meeting following the deliberation of written information  
13 and testimony provided by the city. The primary reason  
14 for the Board's disapproval was the city's lack of  
15 progress in approving the construction and demolition  
16 ordinance. The Board additionally issued a 60-day notice  
17 to commence the Compliance Order process.

18 Since the July Board meeting, the city has  
19 subsequently adopted a construction and demolition  
20 ordinance on September 14th, 2005. The city is proceeding  
21 to implement the ordinance by creating and developing  
22 forums to monitor compliance with the ordinance and  
23 educating the affected parties. The ordinance will become  
24 effective on October 14th, 2005.

25 The city has made a written request to the Board

1 to reconsider the city's second time extension  
2 application, included as Attachment 4 of this item. The  
3 extension will provide the time needed to evaluate and  
4 realize the impact of the ordinance on the city's program  
5 implementation and diversion rate. The assistant city  
6 manager, Matt Valentine, and Alyson Burleigh, the  
7 consultant, are available to answer questions.

8 This concludes my presentation.

9 CHAIRPERSON MARIN: Thank you.

10 And I know we have Matt.

11 MR. VALENTINE: Good morning.

12 CHAIRPERSON MARIN: Thank you. I really want to  
13 thank you for being here today again. And I know the last  
14 time that you were before us it was somewhat  
15 uncomfortable. It's okay. You can take it.

16 MR. VALENTINE: I'd like to thank the Board as  
17 well. You gave us some marching orders, and it assisted  
18 me in sharing those with our Council, and our Council  
19 understood the urgency of adopting this. And it's been  
20 completed.

21 And I also appreciate Board Member Washington  
22 coming down and visiting me and offering the resources of  
23 the state to assist us.

24 CHAIRPERSON MARIN: Good.

25 One of the things that -- the next challenge for

1 the city is now that you have the law behind you as the  
2 ordinance is to ensure that it is enforced. And that, I  
3 think, will take a little bit more time and energy and  
4 resources. But I'm very confident that the city of San  
5 Marino will ensure that the laws or the ordinances that  
6 you pass are respected and abided by the people that they  
7 are intended to.

8           So I'm trusting the city of San Marino -- we are,  
9 their good faith, their good will, their desire to comply  
10 with the wishes of the Board. And now I just must remind  
11 you that those efforts, to be successful, they must be  
12 enforced.

13           But we really appreciate it. And we appreciate  
14 your willingness and certainly my appreciation to your  
15 council for heeding the message. And, you know, it's  
16 pretty rewarding, and it will be even more so once we see  
17 the numbers go up. And so I just want you to know that.  
18 This is exactly the kind of relationship that we would  
19 want to have with every city, you know. There is a  
20 need -- we're right there. We're your partners. As I  
21 mentioned to you, it is in our best interest that you  
22 succeed. So we know the tools that you need to succeed.  
23 We are very, very happy that you have taken them. And we  
24 will continue to walk along your side to ensure your  
25 success.

1           MR. VALENTINE: I appreciate that. And I'll  
2 share that with our Council. I appreciate that.

3           COMMITTEE MEMBER WASHINGTON: Madam Chair, from  
4 the visit down there with the staff and folks there, I  
5 have no doubt in my mind that they're going to complete  
6 this. And it's a beautiful city, and they want it to stay  
7 that way. I'm very proud of the work they've already  
8 done, and I know they will be very successful in going  
9 forward.

10          MR. VALENTINE: I appreciate that. Thank you.

11          COMMITTEE MEMBER WASHINGTON: With that, I'd like  
12 to move adoption of Resolution 2005-303.

13          CHAIRPERSON MARIN: Okay. And I second that.

14          You do not need to come to the Board meeting.

15          We'll place that on consent.

16          Okay. Next item. Hello, Judy.

17          ACTING DEPUTY DIRECTOR FRIEDMAN: Hello. Good  
18 morning, Chair Marin and Board Member Washington.

19          Judy Friedman with the Waste Prevention and  
20 Market Development Division.

21          A couple things I'd like to update you on. First  
22 in the RMDZ Program, available loan funds. To date this  
23 fiscal year, the Board has approved over \$6 1/2 million in  
24 RMDZ loans, of which 1.2 million has been funded that is  
25 expected to divert nearly 150,000 tons annually from

1 California landfills and also create 41 jobs.

2 Today, the Committee will consider two loans  
3 totaling 1.49 -- almost 1.5 million. If these two loans  
4 are approved, there remains nearly \$13.7 million in our  
5 RMDZ subaccount for new loan applications.

6 Loan staff is also currently analyzing three new  
7 loan applications totaling nearly \$5 million and working  
8 with 21 recycling businesses that have expressed an  
9 interest in the loan program. So more to come.

10 CHAIRPERSON MARIN: Awesome.

11 ACTING DEPUTY DIRECTOR FRIEDMAN: A little bit on  
12 climate change issues. You may recall that at last  
13 month's Board meeting I gave an overview of our activities  
14 relating to the Governor's Executive Order on climate  
15 change. On September 23rd, Henry Ferland, coordinator of  
16 U.S. EPA's Climate and Waste Program, gave a public  
17 presentation which was sponsored by CalEPA, which further  
18 explored the relationship between waste prevention and  
19 recycling and greenhouse gas reduction. And the title of  
20 this presentation was, "Quantifying the Energy and Climate  
21 Benefits of Recycling." This presentation looked at the  
22 link and the models that U.S. EPA uses to qualify the  
23 benefits. Staff was also fortunate to be able to met with  
24 Mr. Ferland to explore in some detail his models and to  
25 further understand both their uses and limitations.

1           In the next month or two, I hope to come back to  
2 the Board with information on what we have learned and how  
3 it relates to the work we are tasked with under the  
4 Governor's Executive Order.

5           And that concludes my presentation.

6           CHAIRPERSON MARIN: Okay, Judy. Thank you.

7           We'll then jump into the next item, Item Number  
8 11.

9           ACTING DEPUTY DIRECTOR FRIEDMAN: Okay. Item 11  
10 is Consideration of Applications to Renew the Following  
11 Recycling Market Development Zone Designations: (1) High  
12 Desert; (2) Santa Clarita; and (3) Siskiyou County. Raffy  
13 Kouyoumdjian will make the presentation for staff.

14          CHAIRPERSON MARIN: Okay, Raffy.

15          MR. KOUYOUMDJIAN: Good morning, Chair Marin and  
16 Committee Members. My name is Raffy Kouyoumdjian. I'm  
17 here to present Agenda Item K, Consideration of  
18 Applications to Renew the Following Recycling Market  
19 Development Zone Designations: (1) High Desert; (2) Santa  
20 Clarita; (3) Siskiyou County.

21          All three applicants were approved for zone  
22 designation in 1995. The renewal of these zones support  
23 the Green Procurement Market Assessment Action Plans as it  
24 creates additional markets for recyclables for  
25 manufacturing, economic gardening, and other activities

1 that will foster sustainability and assist local  
2 jurisdictions to meet diversion mandates.

3 Santa Clarita RMDZ is located in the northwestern  
4 Los Angeles County area and is comprised of the city of  
5 Santa Clarita and the communities of Canyon Country,  
6 Newhall, Saugus, and Valencia. The zone is administered  
7 by the Environmental Services Division of the city of  
8 Santa Clarita. Heather Marin and Benjamin Lucha share  
9 zone administrator responsibilities.

10 The City of Santa Clarita is experiencing rapid  
11 growth both in terms of residential and business sectors.  
12 This growth, of course, will generate increasing amounts  
13 of waste from all sectors. The city of Santa Clarita RMDZ  
14 program provides incentives to encourage existing  
15 businesses and potential new business to find ways to  
16 divert these materials and use them as resources locally  
17 whenever possible. Doing so supports the local economy,  
18 particularly in terms of jobs.

19 The High Desert RMDZ, formerly known as the  
20 Mohave RMDZ, is located east of the Sierra Nevada, San  
21 Gabriel, San Bernardino Mountain chains and is comprised  
22 of the entire jurisdictions of Apple Valley, Barstow, 29  
23 Palms, Victorville, and Yucca Valley. The High Desert  
24 RMDZ is administered by the Mohave Desert and Mountain  
25 Recycling Authority. John Davis is the zone



1 administrator. Mr. Davis will be making a separate  
2 presentation at the conclusion of my presentation. This  
3 zone is also experiencing rapid growth due to migration of  
4 businesses because of availability of land and the result  
5 in increase in construction of new homes.

6           The High Desert Zone is home to California  
7 Biomass, a composting facility that has received an RMDZ  
8 loan in the amount of 570,500 and diverts over 26,000 tons  
9 per year.

10           True Cycle is another active zone business  
11 located in Victorville. This business operates an  
12 electronic waste recycling program and is a prime  
13 candidate for an RMDZ loan to finance the purchase of  
14 equipment to increase their recycling capacity.

15           The Siskiyou County RMDZ encompasses the entire  
16 counties located in Northern California. Eight  
17 recycling-based businesses are currently active in the  
18 zone. With the recent expansion of the zone May 2005, two  
19 businesses that were outside the zone boundaries are now  
20 receiving RMDZ technical business assistance as well.

21           TerraMai, a business focused on working with  
22 reclaimed and sustainable harvested wood recently received  
23 Board approval for \$944,000 loan. They will divert about  
24 2,000 tons of waste wood per year.

25           The zone is administered by the Siskiyou County

1 Economic Development Council and is a countywide economic  
2 development services agency. Joan Smith is the zone  
3 administrator. She is in the audience I believe and would  
4 like to address the Board.

5           The RMDZ program was established by SB 1322,  
6 Bergeson, to provide incentives to businesses that use  
7 secondary materials from the waste stream as throughput,  
8 also known as feed stock, for manufacturing. The RMDZ  
9 Program is a viable tool for local jurisdictions to  
10 implement to achieve AB 939 diversion mandates.

11           To continue our partnership with the specific  
12 jurisdictions I've just presented, staff recommends that  
13 the Board approve Option 1 and adopt Resolution Numbers  
14 2005-293, High Desert; 2005-299, Santa Clarita; and  
15 2005-298, Siskiyou.

16           This concludes my presentation.

17           John.

18           CHAIRPERSON MARIN: John Davis. Thank you, and  
19 welcome. Thank you for being here.

20           MR. DAVIS: Madam Chair and Board Member  
21 Washington, the High Desert RMDZ, as Raffy said, includes  
22 the five jurisdictions. Our Joint Powers Authority  
23 actually includes eight jurisdictions, and we're about to  
24 add a ninth. That ninth is the city of Adelanto, which is  
25 one of the jurisdictions with the Compliance Order from

1 you. We've already been helping them as best we can,  
2 including utilizing California Biomass that Raffy  
3 mentioned.

4 My background is over 35 years working with local  
5 governments in California. Both as staff as a consultant,  
6 I've worked with almost 50 jurisdictions around the state.  
7 And half of that time basically was spent in redevelopment  
8 and community development. I have a Graduate degree in  
9 community development administration, but got pulled into  
10 solid waste issues just before AB 939 was adopted. And at  
11 that time, I was working on redevelopment issues. So this  
12 was a really good fit for us.

13 I can tell you that the High Desert communities  
14 particularly along the I-10 corridor, Victorville,  
15 Barstow, and Adelanto especially experience a lot of  
16 industrial growth. And the zone program is known to  
17 everybody in those communities working on this. I field  
18 phone calls regularly from people all over the country  
19 wanting to know about business opportunities, wanting to  
20 know something about the RMDZ. And a lot of those  
21 contacts come from your website.

22 I also attend trade shows for the paper industry.  
23 I've gone to green building shows. I've gone to compost  
24 industry shows. And I hope next year to go to a plastics  
25 recycling conference, which would be a first for me.

1           And I'm really grateful that my ability to do  
2   that really rests on the use of the zone incentive funds  
3   that you provide and have provided over the years to the  
4   zones. And I think it's that partnership that lets us go  
5   out and learn more about the industries we're trying to  
6   work with. It's a mistake to think that we know their  
7   business and going in talking to those people, spending  
8   time with those people amongst their peers is really,  
9   really useful. And I'm really grateful that you've  
10 supported us this way.

11           We try to present a good picture for you. We  
12 refer people when -- we kind of have to develop a process  
13 as zoning administrators to filter out the people with  
14 ideas from the people who actually are ready to go forward  
15 before we send them up here. And it's the trainings that  
16 we do on a quarterly basis that really help us all do  
17 that.

18           So, again, thank you for your support, and we  
19 look forward to the next ten years.

20           CHAIRPERSON MARIN: Thank you, Mr. Davis. I know  
21 that as zone administrators your job is to try to get more  
22 and more of your business in the local area to apply for  
23 these moneys for these loans. I know that we have moneys  
24 still available. You know, when the Board made the  
25 decision to buy -- or sell the loan package, refinance it,

1 if you will, that created a lot more money available for  
2 businesses. So I challenge all of you when I said, well,  
3 we're going to do this, but know that you're asking for a  
4 lot more work.

5 MR. DAVIS: And that was a wise decision. I was  
6 President of the Administrators' Association for three  
7 years and advocated the sale of the loan package  
8 throughout all three of those years, including some late  
9 night meetings with some of your predecessors when you  
10 weren't meeting down here. And I think it was a wise  
11 decision, because it's very difficult to market a program  
12 where we're always uncertain of the financial assets  
13 available to the program.

14 In fact, I've suggested at times that you  
15 consider a secondary market approach somewhat like a bank  
16 does so you can continue to refresh the supply of money  
17 that you have. If we know there's a limited amount of  
18 money -- there have been years when basically in October  
19 the funds appear to be committed. It's very hard to tell  
20 a business person, well, you know, come back next July and  
21 maybe there will be some money there.

22 So I think it lets us do our job a lot more  
23 aggressively if they're not always having to track the  
24 status of the funds. And so personally I'm very grateful  
25 that you do that. I think every zone administrator in our

1 association, all of the Board members were very, very  
2 grateful when it happened, because we think it's really  
3 the way to bring predictability and let us aggressively  
4 market the program. And we have -- using some prior zone  
5 incentive funds, we've developed the marketing program,  
6 which I think you've seen parts of. And we are ready to  
7 hit the streets with that.

8 CHAIRPERSON MARIN: Go hit the streets.

9 MR. DAVIS: Thank you.

10 CHAIRPERSON MARIN: All right. Any --

11 MR. KOUYOUMDJIAN: Ms. Smith is not here yet, so  
12 maybe we can excuse her at this time.

13 CHAIRPERSON MARIN: That's fine. She wants us to  
14 move this item anyways.

15 Mr. Washington.

16 COMMITTEE MEMBER WASHINGTON: Ms. Marie Carter,  
17 can I move all three of these items at one time since it's  
18 all under one designation?

19 CHIEF COUNSEL CARTER: Yes, you may, if you  
20 identify them individually.

21 COMMITTEE MEMBER WASHINGTON: Thank you, Madam  
22 Chair. I'd like to move adoption of Resolution 2005-293,  
23 Resolution 2005-299, 2005-298, all marketing development  
24 zone designations.

25 CHAIRPERSON MARIN: Okay. And I will second

1 that.

2 And without objection, it will be placed on the  
3 consent calendar.

4 Okay. Item Number 12.

5 ACTING DEPUTY DIRECTOR FRIEDMAN: Item 12 is  
6 Consideration of the Recycling Market Development  
7 Revolving Loan Program Application for Cranford, Inc.,  
8 Fiscal Year 2005-2006. And Don Tsukimura will be  
9 presenting for staff.

10 CHAIRPERSON MARIN: Excellent. Don.

11 MR. TSUKIMURA: Good morning, Madam Chair and  
12 Board Member Washington. This agenda item presents for  
13 consideration the Cranford, Inc. application.

14 COMMITTEE MEMBER WASHINGTON: Is your mic on?

15 MR. TSUKIMURA: Let me start over again. This  
16 agenda item presents for consideration the Cranford, Inc.,  
17 application to the Recycling Market Development Revolving  
18 Loan Program. Cranford, Inc., is requesting a \$140,000  
19 loan to finance the purchase of equipment. The project is  
20 projected to increase diversion of green waste, straw,  
21 horse manure, food waste, lime, and gypsum from the  
22 landfill. The projected increase in diversion is 5,000  
23 tons per year.

24 The project is located in Spreckles, California,  
25 within the Central Coast Recycling Market Development

1 Zone. In 1995, the Board approved an RMDZ equipment loan  
2 of \$120,000. That loan was paid off in December of 2000.  
3 Subsequently, in 2000, Cranford, Inc., was given another  
4 loan of \$70,000 for additional equipment. And that loan  
5 was sold to Capital Crossing Bank in 2004.

6 Cranford, Inc., is a family-owned business  
7 located in Salinas Valley and was started by the Cranford  
8 family in 1932. The company is currently owned by Jay  
9 Cranford and his wife, Kira. Jay represents the fourth  
10 generation of the Cranford family to operate the business.

11 Staff from the Board's Permitting and Enforcement  
12 Division has reviewed the project and finds that it is in  
13 compliance with all state minimum standards and that no  
14 solid permit is required. Diversion, Planning, and Local  
15 Assistance Division has reviewed the project and have  
16 determined that the materials to be processed by Cranford,  
17 Inc., are normally disposed in the landfill. And,  
18 finally, the loan was presented to and approved by the  
19 Loan Committee on September 29th.

20 Staff is recommending approval of this agenda  
21 item as presented. Mr. Jay Cranford, President, is  
22 present here today to answer any questions that the  
23 Committee may have regarding their project.

24 That concludes my presentation.

25 CHAIRPERSON MARIN: Okay. Mr. Cranford. Thank



1 you very, very much for being here with us today. And  
2 thank you for having paid your loan. You have a good  
3 record. You've done well.

4 MR. CRANFORD: Try to.

5 CHAIRPERSON MARIN: You try to. But don't be so  
6 excited about it. I think I had too much coffee this  
7 morning.

8 I actually have no questions for your loan. I  
9 just want to thank you. Since you made the trek over  
10 here, we'd like to encourage you to continue to do the  
11 great work you're doing. It's only 5,000 tons more that  
12 you're going to increase; right?

13 MR. CRANFORD: I believe so. I can probably  
14 increase that more. But just to be on the safe side, we  
15 said 5,000.

16 CHAIRPERSON MARIN: Great. Well, you take care  
17 of your business. We want to wish you a lot of success in  
18 your endeavor. And it's a family business for 70 years.  
19 That's amazing. Well, you keep up the good work. Go out  
20 there, and make a lot of money so you can pay us back.

21 MR. CRANFORD: Sounds good to me.

22 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
23 like to move adoption of Resolution 2005-294.

24 CHAIRPERSON MARIN: Moved, and I second that.

25 Without objection, that will go onto fiscal

1 consent for our Board. Okay. Thank you.

2 Next, Item 13.

3 ACTING DEPUTY DIRECTOR FRIEDMAN: Thirteen is  
4 Consideration of the Recycling and Market Development  
5 Revolving Loan Program Application for Sierra Pacific  
6 Packaging, Inc., Fiscal Year 2005-2006. And again Don  
7 Tsukimura will be making the presentation for staff.

8 CHAIRPERSON MARIN: Don, go ahead.

9 MR. TSUKIMURA: Sierra Pacific Packaging is  
10 requesting an RMDZ loan of \$1,350,000 to finance the  
11 purchase of equipment. The project is projected to  
12 increase diversion of postconsumer paper from the landfill  
13 by 3,860 tons per year. The project is located in  
14 Oroville, California within the Oroville Recycling Market  
15 Development Zone.

16 In August of 2003, the Board approved an RMDZ  
17 loan in the amount of \$2 million to Sierra Pacific  
18 Packaging to purchase equipment to expand the recycling  
19 manufacturing project. That loan was subsequently sold to  
20 Capital Crossing Bank in 2004.

21 Sierra Pacific was founded in 1993 and  
22 manufacturers folding carton and paper board packaging for  
23 the food and beverage industries. Initially, the company  
24 focused on the beverage industry, and since its inception  
25 has captured a majority of the business from Kraft

1 Breweries in the western United States. By 1997, Sierra  
2 Pacific began to successfully branch off into other  
3 growing areas of the paper board packaging industry. A  
4 new focus was the organic foods and produce industries.  
5 And much of the company's growth is in this area.

6 In 2004, after considerable research and  
7 discussions with existing customers, it was determined  
8 that there was a strong demand for corrugated boxes. At  
9 that time, they decided to enter that particular market.  
10 This new RMDZ loan will assist Sierra Pacific expanding to  
11 the corrugated box segment of their business.

12 Staff from the Board's Permitting and Enforcement  
13 has reviewed the project and reports that no solid waste  
14 permit is required. Diversion, Planning, and Local  
15 Assistance has reviewed the project and have determined  
16 that the materials to be processed by Sierra Pacific are  
17 normally disposed of in a landfill. And the loan was  
18 presented and approved by the Loan Committee on September  
19 29th.

20 Staff is recommending approval of this agenda  
21 item as presented. Mr. Allen Ennis, President of the  
22 company, and Ms. Vicki Ryther, Chief Financial Officer,  
23 are present here today to answer any questions that the  
24 Committee may have regarding the project.

25 CHAIRPERSON MARIN: Thank you.

1           Mr. Ennis, hello. Ms. Ryther can come as well.  
2 You made the trek to come over here. You might as well  
3 come before the Committee.

4           Thank you very much for being here. And thank  
5 you for that entrepreneurial spirit that you must possess  
6 to make this product from something that otherwise would  
7 end up in our landfills. I cannot tell you how much I  
8 appreciate new companies starting. And, you know, this  
9 kind of process ends up most likely in China and other  
10 places. The fact that we have it here in California is  
11 really amazing to me.

12           And I'm very grateful and thankful for your  
13 success. We want you to be more successful. We want to  
14 divert much more. I mean, cardboard is still a pretty  
15 significant amount of resources that goes still into the  
16 landfill. And I know it's also about 5,000 tons that you  
17 intend to increase with this loan, correct, more or less?

18           MR. ENNIS: That's correct, Madam Chair. In  
19 fact, we want to just take a second to thank the Board and  
20 staff in particular. We've been working with them for a  
21 little over two years. It's been a great relationship so  
22 far. And the first loan, the equipment that we used for  
23 that, we weren't sure how well it was going to be received  
24 when we tried it. But we can report now that we've  
25 successfully converted all of our beverage customers,

1 100 percent as of today, from virgin paper board products  
2 now to recycled paper board products. And that segment of  
3 our business in the twelve months going forward we  
4 estimate to be over 12,000 tons annually that will be  
5 100 percent recycled paper board. In this next phase  
6 we're going into now, we just received very warm inception  
7 for the existing customer base on the corrugated side to  
8 also move in the same direction. So we're really excited  
9 about it and really appreciate the help.

10 CHAIRPERSON MARIN: So we have many more tons out  
11 there that should be coming to you. We want to help you.  
12 We really do want to help you. We want you to be very  
13 successful. I want to come and visit his site. And you  
14 know we're going to approve this no problem. But I  
15 certainly would love to see the operation, which seems to  
16 me is pretty remarkable.

17 MR. ENNIS: Thank you. We'd love to have you.

18 CHAIRPERSON MARIN: Thank you. Go out there. Be  
19 successful. Make a lot of money. And then pay us back.

20 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
21 like to move adoption of Resolution 2005-297.

22 CHAIRPERSON MARIN: Okay. And I second that  
23 item.

24 And without objection, we will place this on  
25 fiscal consent as well. Thank you.

1           That takes us to Item Number 14, and hopefully --  
2 let me think. I'm thinking because we have a time certain  
3 at 11:00 -- we should be able to do it. Number 14, go  
4 ahead.

5           ACTING DEPUTY DIRECTOR FRIEDMAN: Consideration  
6 of Request by Plastic Trash Bag Manufacturers for  
7 Exemption for the Inability to Obtain Sufficient Quality  
8 or Quantities of Recycled Post Consumer Material to  
9 Demonstrate Compliance for the 2004 Reporting Period for:  
10 (1) Glad Products Company (dba) Glad Manufacturing  
11 Company; and (2) Pactiv Corporation. Sue Ingle will be  
12 presenting for staff.

13           CHAIRPERSON MARIN: Okay, Sue. Go ahead.

14           (Thereupon an overhead presentation was  
15 presented as follows.)

16           MS. INGLE: Good morning, Board Chair Marin and  
17 Committee members. I will be presenting Board Agenda Item  
18 14, Consideration of Exemption Requests for 2004 Reporting  
19 Period by Plastic Trash Bag Manufacturers: Glad Products  
20 and Pactiv Corporation.

21           Each manufacturer of plastic trash bags are  
22 required to annually certify to the Board its sales of  
23 regulated plastic trash bags sold into California.  
24 Manufacturers have three choices. One, they can use 10  
25 percent or more post consumer content in their regulated

1 trash bags; use 30 percent in all plastic products; or  
2 they can request an exemption due to insufficient quantity  
3 and quality of post consumer material.

4           At the August 2005 Board meeting, staff brought  
5 forward five plastic trash bag manufacturers that  
6 requested an exemption for 2004. The Board granted an  
7 exemption to Poly-America and disapproved exemptions  
8 requested for TransWestern Polymers and Republic Bag.  
9 Glad Products and Pactiv Corporation were given an  
10 extension to submit additional information to support its  
11 exemption claim. And that is why we're here, to discuss  
12 the exemption request for Glad Products and Pactiv Corp.

13           The exemption criteria is very specific and  
14 requires extensive documentation and --

15                               --o0o--

16           MS. INGLE: -- this is all spelled out in the  
17 California Code of Regulations. Each company requesting  
18 an exemption for 2004 must show a reasonable effort. The  
19 steps were outlined in the certification packet sent via  
20 certified mail to each manufacturer in January. The  
21 regulations specify what a company requesting an exemption  
22 is required to submit to the Board. The required  
23 documentation is shown on this slide.

24           To be recommended for an exemption for 2004,  
25 staff evaluated each company on how well they met the

1 criteria and their efforts to source PCM during calendar  
2 year 2004.

3 --o0o--

4 MS. INGLE: Glad Products used very little PCM  
5 from 2001 to present. Last year, Glad was granted an  
6 exemption based on their equipment modifications to  
7 incorporate PCM into their multi-layer bag. But this  
8 apparently stopped in 2004. Their sales of bags have  
9 increased compared to 2003, but their PCM use has  
10 decreased.

11 --o0o--

12 MS. INGLE: Glad presented minimal documentation  
13 and showed minimal efforts to obtain and use PCM for 2004.  
14 Glad listed 14 suppliers they contacted, but did not  
15 provide adequate documentation of conversations and  
16 feedback from resin suppliers. Glad tested four samples  
17 and did not resolve the issues with these suppliers to  
18 work on using PCM at possible levels of 2 to 3 percent.

19 One line of -- Glad reconfigured one line to use  
20 post consumer material in the inner layer of one of its  
21 lines of bags and was considering converting additional  
22 lines to increase the use of PCM in more trash bags. They  
23 even spent 120,000 on recent equipment upgrades, but this  
24 did not increase the use of PCM for the 2004 reporting  
25 period.



1 --o0o--

2 MS. INGLE: In August, the Board gave Glad an  
3 extension to provide additional documentation to support  
4 the exemption request. The company supplied a binder  
5 including the 2003-2004 plastic trash bag certification  
6 submittals and previous documentation including duplicate  
7 information. The binder also included a letter to the  
8 Board members, but no new relevant documentation was  
9 provided to support the exemption request.

10 Pactiv Corporation history shows another decrease  
11 in PCM use from 2000 to present. Yet their sales --

12 --o0o--

13 MS. INGLE: -- of regulated plastic trash bags  
14 into California have increased every year. Pactiv  
15 manufactures the Hefty bag and the Renew bag, which uses a  
16 considerable amount of post consumer material.

17 --o0o--

18 MS. INGLE: Starting in 2003, Pactiv promised to  
19 use significantly more PCM because they completed 3.5  
20 million in capital improvements to modify their production  
21 lines. But these improvements did not appear to increase  
22 PCM use in their manufacturing. Pactiv contacted eleven  
23 suppliers, mostly suppliers of PCM material --

24 --o0o--

25 MS. INGLE: -- but did not purchase PCM pellets

1 from these suppliers. Pactiv has the ability to reprocess  
2 resins from bails of linear low density polyethylene  
3 stretch wrap, but used 130 tons of bailed material  
4 acquired from one distribution warehouse. Pactiv has been  
5 actively involved with the film plastic work groups and  
6 the quality assurance contract for post consumer material  
7 with Chico State.

8 --o0o--

9 MS. INGLE: Board staff met with Pactiv  
10 representatives to discuss their exemption request and  
11 submit additional documentation to support their exemption  
12 claim. Recently, Pactiv has experienced a turnover in  
13 personnel working on the Trash Bag Law, and the new  
14 representative thought there were additional contracts  
15 with suppliers, but they were not able to provide any  
16 additional documentation after all.

17 --o0o--

18 MS. INGLE: Moving on to our options, Option 1  
19 would disapprove the exemption and direct staff to place  
20 the company on the list of non-compliant manufacturers and  
21 wholesalers for 2004 and publish the list on the CIWMB  
22 website.

23 --o0o--

24 MS. INGLE: Option 2 would provide the exemption  
25 with the following conditions. The company would submit

1 monthly progress reports of sourcing PCM. The company  
2 would meet in person or teleconference a minimum of  
3 quarterly starting November 2005 and ending December 2006  
4 to discuss progress towards meeting PCM use.

5           When necessary, Board staff would arrange  
6 meetings with potential suppliers. Since we're already  
7 three-quarters of the way through 2005, we have no reason  
8 to believe there will be an improvement of PCM use for  
9 2005, so we would like to see the company set a target of  
10 PCM use for 2006.

11           Finally, we request the company participate in  
12 Board-sponsored workshops and meetings targeting film  
13 collection and recycling. And if the Board chooses, we  
14 could modify these conditions for a particular company.

15                               --o0o--

16           MS. INGLE: Options 3, 4, and 5 are listed above.  
17 But staff recommends the Board adopt Option 1, to  
18 disapprove the exemption request for Glad Products and  
19 approve --

20                               --o0o--

21           MS. INGLE: --- Resolution 2005-295 and  
22 disapprove the exemption request for Pactiv Corporation  
23 and approve Resolution 2005-296.

24           This concludes my presentation.

25                               --o0o--

1 MS. INGLE: Are there any questions?

2 CHAIRPERSON MARIN: Thank you, Sue.

3 I know we've been dealing with this it seems to  
4 me ad nauseam. And it seems to me that as hard as we may  
5 try, there's no real -- we're not getting anywhere. It  
6 seems like we're just going in circles and circles and  
7 circles. And I was really hoping that there would be the  
8 law, that I heard they were going to try to make some  
9 changes to the actual law. But that's not the case. We  
10 still have the current law in existing law. And we have  
11 to abide by this law. No matter how egregious it may seem  
12 to some of the people this law impacts, we still have this  
13 law to deal with.

14 Some of the recommendations that I see the  
15 conditions that we would impose upon these people, you  
16 know, some of them is just like requesting we mandate them  
17 that they participate in workshops and so forth. They do  
18 it whether we mandate them or not. And it seems to me  
19 like we're not dealing with children here. So I would  
20 take that condition out, because they do that anyways.

21 But I need to hear -- there's at least one person  
22 that wants to speak to this, Ms. Robin Gentz. And I know  
23 you're with Glad Products. There might be somebody else  
24 who may speak to Pactiv. Ms. Gentz, thank you very much  
25 for being here today.

1 MS. GENTZ: Thank you, Madam Chair. My name is  
2 Robin Gentz. I'm Government Affairs Issues Manager for  
3 the Clorox Company with world headquarters in Oakland,  
4 California since 1913. Paul Walker, our Corporate  
5 Procurement Manager, is also here with me today to also  
6 answer any questions you might have.

7 Glad Manufacturing Company, a subsidiary of  
8 Clorox, manufactures low density polyethylene LLDPE trash  
9 bags for household markets. We remain strongly committed  
10 to understanding the human health, safety, and  
11 environmental impacts of our products and our  
12 manufacturing processes, as well as the public health  
13 benefits that our products provide.

14 We appreciate your consideration in allowing  
15 additional time for us to meet with your staff to provide  
16 additional documentation around our efforts to obtain PCR  
17 for our trash bags. That meeting was held on August 25th.  
18 We also appreciate the opportunity to come before you  
19 today and urge your support of Option Number 3, included  
20 in the Board's October Agenda Item 14, your finding that  
21 they did, in fact, demonstrate diligence and reasonable  
22 efforts to obtain post consumer material in 2004 and  
23 adequately documented those efforts and to approve Glad's  
24 2004 exemption request.

25 The Clorox Company and our subsidiary, the Glad

1 Manufacturing Company, must respectfully disagree with  
2 both Resolutions 295 and 301 before you today. Glad has a  
3 history of and continues to make substantial effort to  
4 find quality and quantity post consumer recycled for our  
5 bags. We provided Waste Board staff through verbal and  
6 written communications on May 24th, 2004, with an update  
7 of our 2004 activities up to that time.

8 In early 2004, Glad visited two prospective  
9 suppliers. Documentation summarizing those visits and  
10 unsuccessful attempts to use their materials were included  
11 in the information provided to Waste Board staff at our  
12 meeting on August 25th.

13 We are extremely disappointed that not mentioned  
14 in the key issues and findings was that Glad also provided  
15 verbal and written explanation at that meeting regarding  
16 activities conducted subsequent to July 2004, including  
17 the following: Delta Plastics had a material that did not  
18 meet our screening hurdles as established in our  
19 specification sheet due to low melt index. But it came  
20 the closest.

21 In late 2003 and into 2004, trial materials were  
22 screened at the Glad R&D facility in Willowbrook, Illinois  
23 and in plant trials and failed at 5 percent and 10 percent  
24 levels due to melt fracture. It was determined that the  
25 only way we could minimize the melt fracture issue was by

1 major modification of our manufacturing lines to change  
2 the arrangement of the plys, or the layers of the bags.  
3 And in mid 2004, Delta shut down their production line to  
4 retool to provide quality and dramatically increase their  
5 capacity. That meant we had to start all over with  
6 qualifying the material from the new line. And until it  
7 was up and running, Delta had no capacity to provide  
8 material. And that was after we had checked all other  
9 available suppliers.

10 We advised your staff that we did receive a new  
11 PCR sample in July 2004 and subsequently tested them in  
12 the Glad Research and Development Facility in Willowbrook  
13 in the forth quarter of 2004. We ran four trial runs with  
14 as low as 3 percent PRC, because at 10 percent, the trash  
15 bags had unacceptably low film properties. Since that  
16 time, our direction has been retraining in the plant with  
17 new machine configurations and less than 5 percent PCR.  
18 The equipment conversion began in mid 2004 and was  
19 completed in the first quarter of 2005 at a cost of  
20 hundreds of thousands of dollars for the purpose of  
21 complying with the Trash Bag Law.

22 Our activities to meet the requirements of  
23 California's law did not stop after July 2004, but are  
24 continuous even today. Even still, Glad has not been  
25 successful in achieving a blend of PCR and virgin resins.

1 We're hopeful. We're optimistic. We continue to get  
2 leads. However, we are aggressively continuing our  
3 efforts.

4 It is also unfortunate and very frustrating for  
5 our company and my management that the Waste Board does  
6 not formally recognize that the plastic lumber industry  
7 and the export markets are consuming available supply.  
8 And we also provided that information in documents to the  
9 Waste Board to mid 2004.

10 As indicated in the Waste Board's 2004 Recycled  
11 Content Trash Bag Certification, we certified that we were  
12 unable to obtain sufficient amounts of PCR to comply with  
13 these requirements. Our procurement department continues  
14 to contact potential suppliers from lists provided by the  
15 Waste Board staff and other sources, with little or no  
16 success to date. We have hired additional personnel to  
17 help source and test LLDPE recycled resins for our bags.

18 We were very disappointed to read all the  
19 conditions outlined as a condition of your approval of our  
20 request. Monthly and quarterly meetings with our company  
21 and the Waste Board staff will require a substantial  
22 amount of time away from our daily business operations.  
23 We'll be happy to meet and communicate with staff on an  
24 informal basis, on a regular basis, on an improved basis,  
25 on an increased basis, but we can't be mandated to have to



1 drop our daily interruptions and business to participate  
2 in these conference calls. We think that can happen  
3 without mandating it, and it has.

4 CHAIRPERSON MARIN: Ms. Gentz, let me just try to  
5 deal with this as soon as possible. Just so that you  
6 know, we had an item that needed to be heard exactly at  
7 11:00, and this is taking a little bit longer.

8 MS. GENTZ: I'm sorry.

9 CHAIRPERSON MARIN: No. Just so that you know,  
10 we will deal with that immediately upon the finishing of  
11 this particular item.

12 This is the problem. The problem is that we have  
13 a law. You know, we had nothing to do with that law.

14 MS. GENTZ: I know.

15 CHAIRPERSON MARIN: And the law as written makes  
16 you, the manufacturer of these bags, responsible for post  
17 consumer amounts in your bags. We didn't create that law.  
18 But we are mandated to make sure that that law is  
19 enforced.

20 We have tried ad nauseam to come in with some  
21 kind of resolution, because we cannot basically say,  
22 "Okay, that's fine. Don't worry about it." There are  
23 findings that we need to make. The law allows for  
24 exemptions. We have tried for all of these years to come  
25 to some kind of reasonable agreement as to what would

1 fulfill that exemption. And this, to put it lightly, has  
2 been a work in progress.

3 I'm sure you are as concerned as we are that we  
4 don't find quite a resolution. I've only been here a year  
5 and a half almost. And believe me, I've heard of this  
6 problem from the very first day I came in. And it really  
7 boggles my mind, because I tried really hard to come to  
8 some kind of an agreement, to build a consensus, and to  
9 not be onerous. I'm familiar with the manufacturing  
10 processes. I know that sometimes to inject a new product  
11 it's not as easy, especially when you're creating millions  
12 of pounds of anything, you know. It's not as easy as some  
13 of the people that do not have the manufacturing  
14 background, they can't understand. So we can't make  
15 impositions on manufacturing processes that we don't know  
16 anything about. I appreciate that.

17 The problem is that we have this law, and we have  
18 not really come to an agreement as to what would be  
19 considered acceptable to you as an exemption that you are,  
20 in fact, doing a good faith effort. And you're not the  
21 only -- unfortunately or fortunately, you're not the only  
22 one company in these shoes.

23 This Board is not going to impose -- at least I  
24 know we don't want to impose very onerous conditions on  
25 you. Your representative, Laurie Nelson, has been an

1 incredible advocate for your position and has enlightened  
2 us all about your challenges as a manufacturer. I  
3 appreciate that.

4           So what we need to do is come to what would be  
5 agreeable, you know, understanding -- and it seems to be  
6 that it may not be all to your satisfaction. It may not  
7 be all to our satisfaction. But we need to come to an  
8 agreement that we are at least abiding by what the law  
9 says. And if not the letter, the spirit of the law. And  
10 sometimes that is really important. You know, you as a  
11 big company may not abide by the letter of the law. But  
12 what we're asking Glad company and other companies is the  
13 spirit of the law to be abided by. And the spirit is very  
14 clear. You know, what we are trying to do is get as  
15 fewer, if you will, tons of plastic into the landfill.

16           We felt that one of the ways to do that -- or the  
17 law felt that was to reuse some of that into the current  
18 process, the manufacturing process. It may not be, and  
19 it's obviously not working for you and other companies.  
20 But we just keep going in circles, and I'm really tired of  
21 the circles. I strongly suggest that you have more of an  
22 opportunity to make the changes in law. And I really was  
23 hoping that that was something that all of you were going  
24 to do. And now the year is gone, and that didn't come to  
25 fruition.

1           But we are in a difficult situation, because we  
2 didn't write that law. We are only charged with enforcing  
3 that law. So the bottom line is, there are some -- the  
4 recommendation here is to basically deny your exemption  
5 for Glad; correct? That's what -- I don't want to do  
6 that. I don't know if you want to do that. I want to  
7 work with you, but I really need your desire to fulfill  
8 the spirit of the law to be far more clear. And maybe  
9 it's not clear to the staff. Maybe we need -- you know  
10 what? Maybe we just need to have a sit down with you  
11 separately to figure out and come to resolution, because  
12 our staff has tried. And I'm sure they're at their wit's  
13 end as well as we are.

14           MS. GENTZ: We are, too.

15           CHAIRPERSON MARIN: So maybe what we need to  
16 do -- the staff is going to kill me. But maybe we just  
17 need one more time. And you know, I know Ms. Mulé -- and  
18 I don't know if she's here, but I know she has tried as  
19 well. And she's probably at her wit's end as well. Maybe  
20 we need to deal with this, with these corporations, up  
21 until we have the law that hopefully will be changed. And  
22 let's not deal with this right now. We'll have one more  
23 go at it with you.

24           And this is remarkable to me. We're dealing with  
25 a whole year that has already passed. We're now in 2005,

1 and it's going to take two years for us to find out that  
2 you're still not in compliance. It just perpetuates.  
3 It's a problem that's perpetuating. And we can go on like  
4 this.

5 So, Laurie, what we're going to do is I want to  
6 have -- I'm going to have a meeting with you guys.

7 COMMITTEE MEMBER WASHINGTON: I'd like to be part  
8 of it.

9 CHAIRPERSON MARIN: You would like to be a part  
10 of it. The problem with it is that we would have two.

11 COMMITTEE MEMBER WASHINGTON: You can do it,  
12 Madam Chair. That's fine.

13 CHAIRPERSON MARIN: Let me just handle that, if  
14 that's okay. Because having two would not be a good idea.

15 COMMITTEE MEMBER WASHINGTON: That's fine.

16 CHAIRPERSON MARIN: Let me do that, and we will  
17 come back. Because this has got to stop.

18 COMMITTEE MEMBER WASHINGTON: I do believe with  
19 Pactiv we have probably come to some resolution. But I'm  
20 thinking it would be good for you to meet with them and  
21 just do it together and --

22 CHAIRPERSON MARIN: If that's okay, we're going  
23 to do that. Thank you. All right.

24 Thank you, staff. I know you guys have been  
25 pulling your hair out.

1 COMMITTEE MEMBER WASHINGTON: One more shot.

2 CHIEF COUNSEL CARTER: Excuse me, Madam Chair.

3 Are we continuing this?

4 CHAIRPERSON MARIN: We're continuing this item to  
5 next month. I'm sorry about this. But believe me, we  
6 will find a resolution.

7 Okay. My apologies to all of you that have been  
8 waiting patiently for the last 15 minutes. Actually,  
9 you're going to wait even five more minutes, because we  
10 need to take a break for technical purposes. So if it is  
11 okay with you guys, we will start in about five minutes.

12 (Thereupon a recess was taken.)

13 CHAIRPERSON MARIN: Okay. We're going to start.  
14 Call the roll, please.

15 EXECUTIVE ASSISTANT BAKULICH: Washington?

16 COMMITTEE MEMBER WASHINGTON: Here.

17 EXECUTIVE ASSISTANT BAKULICH: Marin?

18 CHAIRPERSON MARIN: Here.

19 Okay. Did you talk to anybody? No. You're up  
20 to date on your ex partes.

21 COMMITTEE MEMBER WASHINGTON: I'm up to date.

22 CHAIRPERSON MARIN: We do have a small item,  
23 Number 15, that's before us. But if I may, Joan Smith  
24 from Siskyou, the Zone Administrator, she's here. And she  
25 came all the way from Siskyou County. She wants to say

1 hello to us at least for one minute. Make her travel  
2 worth her being here.

3 MS. SMITH: Good morning. And I'm Joan Smith.  
4 I'm the Zone Administrator for Siskyou County, former  
5 County Supervisor for Siskyou County, and I'm so happy to  
6 be here. And I apologize. I was literally parking when  
7 this item was up, and I came down from Siskyou County this  
8 morning. And as you know, that's about a four-hour drive.

9 CHAIRPERSON MARIN: I've been there.

10 MS. SMITH: I want to thank you so much for  
11 renewing our zone. And I want to tell you why just very  
12 shortly. This program is so good for our very small rural  
13 county. It does great things. We most recently had a  
14 loan that went through for a little business called  
15 TerraMai out of McCloud. And we talked to two more  
16 businesses yesterday. Steve Boyd and I, from your staff,  
17 went and talked to a business in Mount Shasta and one in  
18 Weed that are looking very promising for these types of  
19 low interest loans. These are businesses that would not  
20 ordinarily be located in Siskyou County. So thank you.

21 And I'd like to invite you to come up to Siskyou  
22 County. We could put together a media event for TerraMai  
23 to make this official in the beautiful little town of  
24 McCloud. And I can work with your staff, set up a day. I  
25 can have some of the local county government there to

1 greet you as well, and as well as some of the press.

2 Because I think that this program -- it's like one of your  
3 best kept secrets. I don't think the people know. And we  
4 are working very hard to market it.

5 CHAIRPERSON MARIN: I certainly would love to go,  
6 but he would love to go as well.

7 COMMITTEE MEMBER WASHINGTON: Make sure you have  
8 some food. No tofu.

9 MS. SMITH: I don't think we know what tofu is in  
10 Siskyou County.

11 COMMITTEE MEMBER WASHINGTON: You start naming  
12 these counties I don't know anything about, I start asking  
13 questions. I've been to too many where they set me up.

14 MS. SMITH: We have very happy, contented cows in  
15 Siskyou County.

16 COMMITTEE MEMBER WASHINGTON: Oh, good. I like  
17 cows.

18 MS. SMITH: We have good beef.

19 CHAIRPERSON MARIN: Now the question is whether  
20 you really want to risk having the two of us there. You  
21 have no idea what you're asking.

22 MS. SMITH: Certainly, you are both welcome. I  
23 think the town of McCloud in Siskyou County can handle it.

24 CHAIRPERSON MARIN: The two of us? I don't know  
25 about that.



1 COMMITTEE MEMBER WASHINGTON: Ask Chuck White.

2 CHAIRPERSON MARIN: Thank you very, very much.

3 We wish you a lot of luck with your new endeavors. And  
4 thank you for all the great work you did as a County  
5 Supervisor.

6 MS. SMITH: And thank you.

7 CHAIRPERSON MARIN: We really appreciate it. We  
8 appreciate you making the trek.

9 COMMITTEE MEMBER WASHINGTON: We'll be there.

10 CHAIRPERSON MARIN: The two of us.

11 MS. SMITH: I'll look forward to seeing both of  
12 you.

13 CHAIRPERSON MARIN: Okay. Thank you.

14 Okay. Now Item Number 15, Judy.

15 ACTING DEPUTY DIRECTOR FRIEDMAN: Item 15 is  
16 Discussion and Consideration of Adoption of the Proposed  
17 Amendments to the Emergency Regulations for the  
18 Implementation of the Electronic Waste Recycling Act of  
19 2003, SB 20, Chapter 526 Statutes of 2003; and SB 50,  
20 Chapter 863, Statutes of 2004 as amended.

21 Shirley Willd-Wagner will make the presentation  
22 for staff.

23 (Thereupon an overhead presentation was  
24 presented as follows.)

25 BRANCH MANAGER WILLD-WAGNER: Good morning, Madam

1 Chair and Board Member Washington. As Judy said in that  
2 very long title, I'm here to present some proposed changes  
3 to the emergency regulations for the implementation of SB  
4 2050.

5 A little background, as you recall --

6 --o0o--

7 BRANCH MANAGER WILLD-WAGNER: -- last month we  
8 came to the Committee meeting, and at that time we  
9 summarized the stakeholder workshop that we held on August  
10 23rd. We told you that this August 23rd workshop was an  
11 initial kick-off for our final regulations, which we're  
12 moving into the period of developing final regulations.  
13 And we gathered stakeholder input at those workshops.  
14 Some of those comments were echoed at the Committee  
15 meeting, so you were able to hear many of the comments  
16 from the workshop. We presented you with some different  
17 ways, some options of addressing the identified priority  
18 challenges. We thought that we could administratively fix  
19 some of the issues or we said we can come back with minor  
20 revisions to the existing emergency regulations or, of  
21 course, proceed with final rule making.

22 At that time, we heard comments on all aspects of  
23 our regulations, and some of which we would like to  
24 address in final regulations, but some emerged as real  
25 priority issues that wanted some immediate fixes. Input

1 on even those priority issues was divided. Several  
2 stakeholders urged no change. Some urged significant  
3 change and that immediate changes are necessary.

4 So after we presented the options, we did commit  
5 to you to return with a recommendation. Today we are  
6 going to --

7 --o0o--

8 BRANCH MANAGER WILLD-WAGNER: -- go with Option  
9 2, the second bullet, and present some emergency  
10 regulation changes.

11 Just as a reminder to the payment system  
12 participants, just to let you know we regulate only those  
13 that we can regulate. That's kind of an important  
14 distinction here.

15 We do work with DTSC, Department of Toxic  
16 Substances Control, to approve collectors and recyclers to  
17 participate in the payment system. As of today, we're at  
18 306 collectors and 40 approved recyclers. And, of course,  
19 CIWMB pays the recyclers who turns around and pays the  
20 collectors. So we only regulate those participants in the  
21 system.

22 --o0o--

23 BRANCH MANAGER WILLD-WAGNER: Along with the  
24 stakeholders and Committee members last month, we really  
25 identified two priority challenges. And these are the

1 ones that we're requested to get some immediate fixes.  
2 The first is to handle covered electronic wastes that are  
3 undocumented but otherwise eligible to participate in the  
4 system. These are mainly CEWs resulting from load check  
5 activities, illegal dumping, cleanup, and incidents of  
6 abandoned waste. And we discussed these with you pretty  
7 significantly. That was one area in our regulations that  
8 was not contemplated, and it was not addressed.

9           The other priority issue was local government  
10 agent provision with a capital A that was being  
11 interpreted differently. We found it was an uneven  
12 application of that local government agent, and the  
13 regulations didn't define what that was. There were also  
14 some liability concerns, of course, from local government  
15 mismanagement.

16                               --o0o--

17           BRANCH MANAGER WILLD-WAGNER: Let me first  
18 summarize our recommendations and then present some of the  
19 specifics and the reasoning behind the new definitions.  
20 We've got three new definitions, and then some parameters  
21 that are set around those definitions that are in  
22 particular sections of the regulations. The regulation  
23 sections affected are the applicability and limitations  
24 section, requirements for approved collectors,  
25 requirements for approved recyclers, and the request for

1 payment claims submittal. Those are the areas of our  
2 regulations.

3 The three new definitions are to bring in  
4 designated approved collectors, and this deals with the  
5 agent that I'll talk about in a minute; proof of  
6 designation, and source anonymous CEWs.

7 We believe that these recommendations will  
8 address the vast majority of those concerns that were  
9 brought to our attention for immediate resolution without  
10 inflicting significant structural changes to our  
11 regulations. As Senior Staff Counsel pointed out last  
12 time, sometimes there are unintended consequences if we  
13 move things into emergency regulations, because we haven't  
14 had the time to fully vet them in the stakeholder process  
15 of final permanent regulations.

16 --o0o--

17 BRANCH MANAGER WILLD-WAGNER: So let's move into  
18 our recommendations. Because the Waste Board doesn't have  
19 enough acronyms, I know, we've come up with another new  
20 one: Source anonymous CEWs, SACEW. I'll continue to say  
21 source anonymous, but I didn't want to type it on every  
22 slide, if that's okay. So that's what SA will stand for.

23 We're proposing that up to 5 percent of an  
24 approved recycler's claim can enter into the approved --  
25 can enter in the payment system as defined and with proper

1 documentation. And I'll give those definitions in a  
2 minute.

3           Source anonymous CEWs, as I said earlier, are  
4 those resulting from load check activities, illegal  
5 dumping, cleanup, and incidents of abandoned waste. Want  
6 everyone to recognize that 100 percent -- all of the  
7 collector's individual source anonymous CEWs could be  
8 incorporated into a recycler's payment claim, even in the  
9 5 percent. So a Good Will who gets material or a load  
10 check operator who gets -- they have a lot of their wastes  
11 being source anonymous that will fit into the 5 percent of  
12 a recycler's claim.

13                               --o0o--

14           BRANCH MANAGER WILLD-WAGNER: Let me go further  
15 before I get off on a tangent. Source anonymous CEWs we  
16 have defined in our proposal to mean CEW's whose  
17 originating California source cannot be identified in  
18 collection log information required pursuant to  
19 18660.20(j)(1)(b). And that has become, of course, the  
20 tag number, (j)(1)(b) is that requirement for those who  
21 are not local governments, are not agents of local  
22 government, to maintain source documentation including  
23 name and address. So CEWs that cannot be identified are  
24 source anonymous according to that .20(j)(1)(b) and don't  
25 have to follow along with that.

1           The source documentation we would need to know  
2 about a CEW basically means a CEW whose originating  
3 California source cannot be identified. Wait a second. I  
4 just did that.

5                               --o0o--

6           BRANCH MANAGER WILLD-WAGNER: I'm sorry. The  
7 source documentation that we require would be a brief  
8 written description of the activity or the incident that  
9 resulted in the CEWs being left anonymously, specific date  
10 and location, a number and estimated weight of source  
11 anonymous CEWs, and basically the contact name, the  
12 organization, address, phone number. So basically we're  
13 asking for the collector to tell us what happened, when it  
14 happened, where, how much, and who's responsible. You  
15 know, like six units for 200 pounds were collected on  
16 November 13th, left at Good Will overnight or left outside  
17 of the transfer station name, and who's the contact person  
18 for that material. So that's our basic recommendation for  
19 SACEWs, source anonymous CEWs.

20                               --o0o--

21           BRANCH MANAGER WILLD-WAGNER: Move on to the  
22 local government designation. This was the problem with  
23 the word agent. We're recommending to remove the word  
24 "agent" and replace it with "designated approved  
25 collector" and to find some specific conditions about

1 being a designated approved collector.

2 When we were going through the stakeholder  
3 workshops, the main problem that they -- stakeholders told  
4 us was the word "agent," that that was a real problem due  
5 to liability concern from risk managers. So we were  
6 hoping to solve that problem by changing that, and I know  
7 we discussed the idea of designated at the last Committee.

8 --o0o--

9 BRANCH MANAGER WILLD-WAGNER: So, again, read  
10 another definition. Designated approved collector means  
11 an approved collector that has been designated by a  
12 California local government to provide CEW collection  
13 services for or on behalf of the local government and who,  
14 in the course of providing the services for the  
15 government, would not be subject to the source  
16 documentation requirements that I mentioned earlier. So  
17 they would not be subject to the name and address.

18 How do you demonstrate local government  
19 designation? We have added --

20 --o0o--

21 BRANCH MANAGER WILLD-WAGNER: -- a definition for  
22 proof of designation. That means a document or other  
23 demonstration that must be secured by the designated  
24 approved collector from the California local government  
25 that specifies certain conditions. Note that



1 demonstration document or other demonstration, so that  
2 could mean a contract that covers specific -- boy, this  
3 isn't --

4 --o0o--

5 BRANCH MANAGER WILLD-WAGNER: Thank you. Proof  
6 of designation as we've defined in 18660.20(k) simply  
7 means the beginning and end dates of the designation. It  
8 needs to lay out these conditions: The beginning and end  
9 dates, the geographic area of the collection, and the  
10 customer type to be served. So a simple form that we can  
11 perhaps develop for local governments to simply check off  
12 the boxes and sign and signify that these conditions are  
13 met by the approved designated collector or a portion of  
14 the contract perhaps that demonstrates these same things,  
15 specifically for CEWs the local government to meet that  
16 designation.

17 --o0o--

18 BRANCH MANAGER WILLD-WAGNER: Other stakeholders'  
19 suggestions that we heard both at the workshop and here  
20 last month at the Committee meeting were that any approved  
21 collector operating with a contract or franchise agreement  
22 with a local government to provide solid waste or  
23 recycling services is automatically a designated approved  
24 collector. We'll hear more about that later today.

25 Another suggestion was for staff to revisit past

1 claims that have been submitted in the past under new  
2 rules or grant amnesty and pay for accumulated  
3 undocumented CEWs. We also heard the suggestion to make  
4 no changes to the existing emergency regulations and  
5 proceed with final regulations.

6 So I'll discuss just a little bit of the  
7 reasoning behind our staff recommendations.

8 --o0o--

9 BRANCH MANAGER WILLD-WAGNER: Five percent source  
10 anonymous CEWs was really a compromise with what we heard  
11 last month. We heard 1 percent. We heard 10 percent. We  
12 heard maybe even 10 percent wasn't enough. We followed --  
13 you know, the Committee members, we sort of talked about a  
14 small amount. The big problem is that we currently have  
15 no data on the size of the problem. I know Committee  
16 members asked for some data on the size, and staff has  
17 asked for what's out there. What's the real problem? How  
18 much source anonymous material is there?

19 The only data we have is from Good Will, who said  
20 about 23 to 25 percent of the material that comes into  
21 them is left at the door overnight. That 23 percent could  
22 certainly be incorporated in a recycler's 5 percent. You  
23 know, so our usual payment claim is at least \$100,000.  
24 This 23 percent from a Good Will could fit into 5 percent  
25 of the source anonymous.

1           Some stakeholders said, as I said, it should be  
2 nothing. We felt it was a compromise.

3           CHAIRPERSON MARIN: Well, 23 percent -- with all  
4 due respect to Good Will, I drive by a Good Will all the  
5 time, and I don't see things 23 percent of anything left  
6 at the door. Maybe they leave it at the back door, but  
7 I'm trying to see. That, to me, sounds pretty  
8 significant.

9           BRANCH MANAGER WILLD-WAGNER: We had a meeting  
10 with some of the representatives from northern and  
11 southern Good Will folks, and this is what they told us in  
12 the meeting. But, you know, that might change. It might  
13 go up and down depending on the rules that are created.

14          CHAIRPERSON MARIN: Is anybody here from Good  
15 Will? Now that I said I don't like it, maybe there was  
16 somebody who didn't own up to it. No, I kidding.

17          BRANCH MANAGER WILLD-WAGNER: That's the only  
18 thing that's been provided.

19          CHAIRPERSON MARIN: It seems to me pretty high.  
20 That's fine.

21          BRANCH MANAGER WILLD-WAGNER: But again that  
22 material could be incorporated in a 5 percent. Good Will  
23 is a collector. The recycler could claim and incorporate  
24 that amount in their 5 percent in most cases we believe.

25          CHAIRPERSON MARIN: So 23 percent of Good Will

1 becomes 5 percent of the actual --

2           BRANCH MANAGER WILLD-WAGNER: Recycler. And part  
3 of that is we feel this proposal -- and this will explain  
4 it a little bit more -- is the 5 percent limit continues  
5 to motivate the capturing of specific documentation for  
6 the rest of their material. So the market will actually  
7 grow the well-documented material, the 95 percent, so they  
8 can take 23 percent or even more that will be in the 5  
9 percent. Does that make sense? They're going to grow  
10 that well-documented material to allow them to take up to  
11 5 percent of the source anonymous material.

12           So we feel there's a little bit of a market  
13 incentive there. And certainly going with something like  
14 these for these emergency regs for the next nine months  
15 would give us some good documentation so we know where to  
16 go in the final regulations.

17                               --o0o--

18           BRANCH MANAGER WILLD-WAGNER: The reasoning a  
19 little bit behind -- I'll talk briefly about -- could we  
20 get to the local government?

21           For the local government designation, simply felt  
22 that jurisdictions need to know who's performing work on  
23 their behalf with the financial reward offered by the  
24 Electronic Waste Recycling Act. The designation can be a  
25 portion of the contract. Or as I mentioned earlier, we

1 can develop a simple form letter that would be check  
2 boxes. We hope that this would meet the majority of those  
3 concerns.

4 --o0o--

5 BRANCH MANAGER WILLD-WAGNER: Now, the final  
6 recommendation, we heard from stakeholders, was to review  
7 previous submitted payment claims. We discussed this last  
8 month again and felt that created an unfair situation to  
9 those collectors and recyclers that played by the existing  
10 rules at the time and turned away the material that did  
11 not have source documentation. We believe with the 5  
12 percent solution, review of past claims becomes  
13 unnecessary.

14 And actually we looked at the numbers this  
15 morning, denied actual adjusted out or denied material  
16 from claims that have been submitted is less than 7  
17 percent. So it's less than 7 percent of the claims that  
18 have been submitted to us has been adjusted out or denied.

19 --o0o--

20 BRANCH MANAGER WILLD-WAGNER: Just wanted to end  
21 with leaving this slide up here reminding us all the  
22 intent of the Act, to provide financial relief, primarily  
23 for local governments for managing the covered electronic  
24 waste to foster cost-free recycling for consumers,  
25 reducing illegal dumping, eliminating the stockpile, and

1 decreasing the amount of hazardous materials in covered  
2 products.

3 We're not talking about the last two bullets  
4 today. But at least the first couple are really good  
5 reminders.

6 Staff is aware now that at least one maybe two  
7 alternate proposals will be presented today. We did  
8 receive one of the proposals at 8:00 last night. We  
9 haven't had an opportunity to thoroughly review that, but  
10 we did see that early this morning. Other stakeholders  
11 really haven't had a chance to review this, but it will be  
12 presented today and we can discuss it.

13 We believe that our proposal addresses about 90  
14 to 95 percent of the problems that were identified at the  
15 stakeholder workshop and the Committee meeting without the  
16 risk of making major structural changes to our emergency  
17 regs. That's what goes back to what I said before about  
18 unintended consequences of making quick changes to the  
19 emergency regulations.

20 A couple options. We could return to the  
21 Committee or Board in November and hold an additional  
22 public workshop between now and then to vet all the  
23 proposals and come up with a clear staff recommendation  
24 incorporating all these different proposals. Of course,  
25 the downside there is that it will delay the solution to

1 those who are most affected. Our proposal as it is could  
2 probably be in place by November. If we have another  
3 hearing and come to you in November, the solution might  
4 not be there until January.

5 Alternately, we could move up our time frame for  
6 permanent regulations and try to devote staff to develop  
7 the permanent regs immediately, and perhaps we could have  
8 them in place by May or June of 2006.

9 Sorry that I'm losing my voice here.

10 And I guess, finally, our staff recommendation in  
11 the item is to approve the proposed regulations as  
12 presented by staff and adopt -- I don't even have the  
13 Resolution number.

14 CHAIRPERSON MARIN: 2005-300.

15 BRANCH MANAGER WILLD-WAGNER: I've been so busy.

16 And to adopt Resolution -- to recommend to the  
17 Board to recommend Resolution 2005-300.

18 CHAIRPERSON MARIN: Thank you. Thank you,  
19 Shirley. Thank you, Jeff. Thank you, Bob. Thank you,  
20 Judy.

21 I keep telling people I'm impressed time and  
22 again by the quality of the thoughtfulness of our staff  
23 and the willingness to work through these very muddy  
24 waters as it is to create regulations and deal with  
25 emergency regulations and with competing interests trying

1 to come to a consensus. You guys do a remarkable job,  
2 even if you don't have 100 percent buy-in from everybody.  
3 So I've got to thank staff before I open the mic.

4 I just received a letter dated September 30th  
5 from Advancing the Business of Technology. I don't know  
6 if that's -- that's not one that you were talking about,  
7 Shirley?

8 BRANCH MANAGER WILLD-WAGNER: No. I'm not aware  
9 of that one. Advanced Recycling Technology?

10 CHAIRPERSON MARIN: Advancing the Business of  
11 Technology, AEA. So anyways, you have a copy of that as  
12 well.

13 And then Yvonne Hunter sent an e-mail talking  
14 about this, just for the record, just in case you have not  
15 seen it. So with that, I know she's not going to be able  
16 to join us. But she's supportive of some of the  
17 recommendations that we have before us.

18 We have quite a few people speaking, about ten or  
19 eleven people. We have all of the time in the world to  
20 listen to what you have to say, but we would very nicely  
21 ask you to limit your comments to about three or four  
22 minutes maximum. If you can say it in less time, that  
23 would be really, really nice. If not, we can make an  
24 exception. But once we start hearing you repeating what  
25 other people are saying, we're going to very nicely ask



1 you to speed it up. We have more people that want to  
2 speak.

3 Let me call on Mark Murray first to the podium  
4 regarding this item.

5 MR. MURRAY: Madam Chair, Mark Murray,  
6 Californians Against Waste. Thank you very much.

7 Start off, want to thank staff for the efforts  
8 they've put into developing a solution over in a fairly  
9 short time period to this problem that I think they've  
10 fairly accurately described. And I want to agree with  
11 Shirley that I think that these recommendations move us  
12 very much in the correct direction. I think maybe we  
13 disagree on the percentage. I think maybe 75 percent  
14 there instead of 90 percent there, but I do think we're  
15 very close on this.

16 And I think that -- I just want to -- partly in  
17 response to the discussion at the last meeting, and in  
18 order to try to facilitate being solution-oriented, I did  
19 get together with the collectors, recyclers, and the  
20 League of Cities, and we have collaborated on, not an  
21 alternative proposal, but on some tweaks to the staff's  
22 proposal. Same structure, just a couple of changes and  
23 suggestions with regard to specific language. And that  
24 was the proposal that was forwarded by Chuck White to the  
25 Executive Director and some of the Board members and the

1 staff yesterday. As you can imagine, it's sometimes  
2 difficult to get everyone together on this. But I do  
3 think that that proposal again is consistent with the  
4 staff recommendation with just a couple of tweaks.

5           Among those tweaks I want to just highlight here  
6 is in terms of the designation, let's just kind of maybe  
7 just put this into perspective. What we're talking about  
8 here is when are you required to have source documentation  
9 for that consumer to collect their transaction? We're  
10 recognizing in the existing emergency regulations there  
11 are some circumstances, if you're a designated agent of a  
12 local government, where you don't have to provide that  
13 documentation at all. Zero. What we're talking about is  
14 what are those circumstances when we feel like that's  
15 necessary.

16           We agree with the notion that was put forward by  
17 the League of Cities that we're now building on local  
18 governments and local government designated entities. We  
19 believe that means a franchise holder, a collector,  
20 somebody that's out doing work for the city. It means a  
21 permitted facility within a jurisdiction that is handling  
22 a myriad of solid waste and as part of that function is  
23 handling hazardous wastes that are illegally disposed in  
24 that stream. We think all of those should fall under the  
25 definition of a designation agent by virtue of the fact

1 they've already gone through all those permitting  
2 processes.

3           Now we are suggesting one addition to that that  
4 may seem a little different, but we think it makes sense.  
5 And that is the idea that a nonprofit collector should  
6 also be included in that designation. The idea being that  
7 a nonprofit collector is not going to go out and take  
8 stuff from Nevada in order to make a profit. By  
9 definition, they're not trying to make a profit. They're  
10 just providing a service. The Good Will is an example.  
11 There are other thrifts that are involved in the same kind  
12 of enterprise. And we think those should be given that  
13 same exemption from having the source documentation.

14           Now as we've heard, they are able to get source  
15 documentation in some instances. But in some instances,  
16 people are dropping off material. Sometimes it's at the  
17 back door. Sometimes people are dropping off the TV at  
18 Good Will and maybe they know it doesn't work, so they  
19 don't want to leave their name when they drop that off.  
20 Or they have a computer that isn't working very well, and  
21 they think somehow it's going to come back to bite them if  
22 they provide their source documentation requirements on  
23 that.

24           I want to just again maybe just put this into  
25 perspective. I made reference last time to the Bottle and

1 Can Recycling Law. Parallel program, parallel structure.  
2 That is an \$800 million a year program. If I've decided I  
3 want to take advantage of the state of California and get  
4 payments for a material that is in the waste stream and I  
5 go to Nevada to get it, I'm not going to focus on e-waste.  
6 I'm going to focus on aluminum cans where I get \$1.75 a  
7 pound for those aluminum cans.

8           The Department of Conservation has the same  
9 structure of regulation and is trying to deal with these  
10 same parallel issues. And they have the same log book  
11 requirements except they say if you can't get that source  
12 documentation, you just note that in your log book. It's  
13 not available. It's not you don't get paid for that  
14 material. You just note that in the log book.

15           Over 33 percent of the material that comes into  
16 the Bottle and Can Recycling Law is basically source  
17 anonymous material, because that's material that comes  
18 from a curbside program, comes from a drop-off program.  
19 It comes from where you're not actually having a direct  
20 conversation with the consumer.

21           I think that the -- so in regard to that, I think  
22 that the 5 percent source anonymous may be arbitrary and  
23 unnecessary. Again, the staff is noting that we don't  
24 know how big this problem is. It seems to me that rather  
25 than putting in these emergency regulations, that 5

1 percent, that we should hold that issue over until we do  
2 the permanent regulations and not have an artificial cap  
3 on that provision.

4           Have had some conversations with your staff about  
5 this issue of what about folks that either had claims  
6 rejected or have not submitted claims yet because of they  
7 don't have the source documentation? It's not entirely  
8 clear to me that the staff recommendation deals with that  
9 issue. It may, and maybe I just need to have somebody  
10 walk me through it a little better. We need these  
11 emergency regulations to deal with that situation of folks  
12 that have source anonymous material that they've collected  
13 from a legitimate collector in the state of California, be  
14 it a nonprofit, a local agency that didn't get their  
15 designation letter yet, but we all agree they should. We  
16 need to have some mechanism to make sure those folks can  
17 get their payment claims for devices they collected so far  
18 in 2005. Maybe that's not a retroactive resubmittal of  
19 payment. Maybe that's just a submission of a new  
20 proposal. But that mechanism needs to be addressed by  
21 these emergency regulations.

22           All of these items are addressed in the tweak  
23 proposal -- the collaborative tweak proposal that we've  
24 worked on with the private sector haulers, the collectors,  
25 the recyclers, and League of Cities.

1           Thanks for your help.

2           CHAIRPERSON MARIN: Thank you, Mr. Murray.

3           That's very good, and I'm sure there will be  
4 other people that will be saying basically the same thing.

5           Shirley, is that the proposal that you said we  
6 received last night?

7           BRANCH MANAGER WILLD-WAGNER: Yes, it is.

8           CHAIRPERSON MARIN: So we really haven't had the  
9 time to go through it?

10          BRANCH MANAGER WILLD-WAGNER: That's correct.

11          CHAIRPERSON MARIN: Chuck, were you the leader of  
12 the bunch?

13          MR. WHITE: I wouldn't characterize myself as the  
14 leader, although I seem to be the hub of the wheel.

15          Chuck White with Waste Management.

16          I do have copies, about ten copies, I'd be happy  
17 to provide. I'd like to walk through a little bit of what  
18 we're suggesting. And unfortunately, because of the time  
19 frame it takes, a bit of a work in progress -- although  
20 I'm not sure we're as far apart as 75 percent, but I'm not  
21 sure we're quite 95 percent. Another couple of days I  
22 think we can probably pull this together.

23          CHAIRPERSON MARIN: Well, why don't you go  
24 through those. Maybe we can deal with them.

25          But what I'm going to suggest is we have a Board

1 meeting next week -- in two weeks. So that should give  
2 you all plenty of time to come to an agreement if the  
3 handful of --

4 MR. WHITE: You certainly have my commitment and  
5 commitment of people I'm working with to do everything to  
6 meet that time frame.

7 CHAIRPERSON MARIN: Does that sound reasonable,  
8 Shirley and Jeff and Bob and Judy and all of you?

9 STAFF COUNSEL CONHEIM: Madam Chair and Mr.  
10 Washington, Robert Conheim in the Legal Office.

11 I'm a little equivocal in answering your  
12 question, because in developing the proposal that we have  
13 proposed to you now, that's taken us five or six weeks.  
14 We have vetted it internally and with external  
15 stakeholders in order to avoid unintended consequences and  
16 to try to minimize the chance that we would -- that the  
17 Board would not meet its legal and fiduciary obligations.  
18 The changes that are proposed -- that are suggested in the  
19 proposal that we received last night -- and I really can't  
20 go through it point by point, because I've only had a  
21 chance to read it a couple of times -- are major  
22 structural changes in my opinion legally, and they're more  
23 appropriate as part of a discussion for the permanent  
24 regulation process.

25 What we tried to do in the proposal we put before

1 you was exactly what Shirley said, was to stay in concert  
2 with the structure of the regulatory proposal that had  
3 been adopted by the Board, but try to achieve 75, 85, 95  
4 percent, however close we could get to providing the  
5 relief.

6 I will certainly participate in any effort to try  
7 to reach conclusion within two weeks. It depends on how  
8 structural we get. We may come back to you, if we don't  
9 agree, with advise to you that where we need to go to  
10 satisfy the stakeholders is more appropriate for the final  
11 regulations.

12 I'm hoping we can get there. But I'm not  
13 confident just based on reading this proposal that it's an  
14 easy fix. The proposal has asked for a review of claims.  
15 We had a full discussion. And that was not going to be  
16 part of our proposal to you, but it's back in this  
17 proposal, a review of past claims. The language is there.  
18 There are other parts of this proposal that are so  
19 significant in my opinion that my advice to you would be  
20 that we're really going to have an interesting and I'm  
21 sure fruitful opportunity to address these challenges with  
22 the stakeholders. But it is not an easy fix in my  
23 opinion. And that's my answer. We'll try to get to  
24 closure in two weeks.

25 CHAIRPERSON MARIN: Okay. I appreciate that. I



1 appreciate that.

2 Chuck, maybe we can move on those items where  
3 there's almost consensus, you know. And then just leave  
4 some of the other ones -- and I don't know which ones they  
5 are. But maybe we can just -- I'm trying to move people.  
6 Maybe there is more agreement than disagreement. Let's  
7 just move and approve those for which there's general  
8 consensus.

9 MR. WHITE: There's a few items, some of which I  
10 think we're close and some are further away on. We would  
11 really appreciate the opportunity in the next week or so  
12 to go over and sit down and figure out which ones are we  
13 really close on and see if we can bridge that gap. And  
14 the ones we can't bridge the gap, we'll come back before  
15 you at the Board meeting and leave it to your wisdom to  
16 decide.

17 CHAIRPERSON MARIN: Mr. Conheim.

18 STAFF COUNSEL CONHEIM: Madam Chair and Mr.  
19 Washington, the other aspect of this that we want to make  
20 sure that the Board gives us direction on is that if it  
21 takes us a week to get to closure with Mr. White and  
22 Mr. Murray, there's a full range of stakeholders that  
23 won't have seen this proposal and that may have one or two  
24 days to look at it. And that's another concern of mine.  
25 We're basically addressing problems with a limited group

1 of stakeholders who have some very good ideas and are able  
2 to articulate the problem.

3 But we don't know what we don't know. We don't  
4 know how others are viewing the solution and whether it  
5 works. And it would leave us with a single opportunity at  
6 the Board meeting to hear from those who are able to make  
7 it as to whether what we agreed to, assuming we would  
8 reach agreement, would be satisfactory. So that's another  
9 aspect.

10 CHAIRPERSON MARIN: And I certainly am cognizant  
11 of the fact that at the end of the day it's going to be  
12 maybe 90 percent representative of the state, where we  
13 still have 10 percent of people or collectors or  
14 individuals or nonprofit organizations that are not  
15 participating in that. But, you know, you cannot ensure  
16 100 percent of anything. And if we can move the vast  
17 majority of people and we have agreement on a significant  
18 amount of these changes, I think we're moving.

19 And I understand that we may not completely get  
20 the agreement of 100 percent of the individuals that this  
21 will impact. And you know, sometimes you have to make  
22 public policy that way.

23 But we will extend the opportunity. People will  
24 know as soon as there's agreement on some of these issues.  
25 I would strongly suggest that we use the web. The people

1 that are impacted by this have access to that and our  
2 Board. And we'll update it as soon as we can. Why don't  
3 you go ahead and tell us some of the changes.

4 MR. WHITE: I'll touch on the key points --

5 COMMITTEE MEMBER WASHINGTON: Madam Chair, before  
6 you do that, and I don't know, Shirley, about if it's  
7 possible. But to get the best bang for our buck, is there  
8 a possibility of a meeting that can take place where folks  
9 can be notified of the potential proposal so we could make  
10 sure that we include as many people as possible to address  
11 your concerns as it relates to a few people being a part  
12 of something and not opening it up to everyone. I'm  
13 hoping that there's a way or mechanism that we can use or  
14 vehicle we can use to get this out as quickly as possible  
15 to folks, set a date, have a meeting, and go from there.  
16 Is this a possibility?

17 BRANCH MANAGER WILLD-WAGNER: It is, Member  
18 Washington. We do have a list serve that people have  
19 signed up to and subscribed to that we can get information  
20 out, you know, at the end of the day today. It would go  
21 out at 6:00 today. The only thing is that we want to then  
22 just mention that we are going to be discussing this in  
23 full detail and see if we can bring together -- in two  
24 weeks, it's going to be really difficult to have a full  
25 stakeholder workshop. But we could get out information of

1 what we discussed today. Today's proposal is already  
2 online. And then we could add other information and get  
3 it out to the stakeholders as quickly as possible.

4 CHAIRPERSON MARIN: And you know, one of the  
5 things that I think is very, very important, Chuck has  
6 been, if you will, and I said the leader of the pack. He  
7 represents a very significant group of people. He has  
8 brought together people from the environmental community,  
9 League of Cities, other haulers. But there are some  
10 people for which you may not be speaking for. And those  
11 voices will be heard and will continue to be heard. We  
12 will make sure that all of those people that are not part  
13 of local government or the haulers or the environmental  
14 group that is -- still because there may be some  
15 disagreement.

16 MR. WHITE: The only thing -- I don't think we're  
17 proposing any changes that directly affect those other  
18 people's operations. What we are suggesting is changes  
19 that directly effect the operations of waste industry  
20 people and local government and those folks. That's what  
21 we are focusing our effort on.

22 I'm going to talk about three areas. There's a  
23 couple other areas that maybe other speakers will address.  
24 But number one is the designated approved collector.  
25 We're not really substantially changing that, except for

1 one point is that rather than provide proof of  
2 certification, we would want to alternatively provide  
3 certification of designation.

4           So rather than getting approval from local  
5 government, if you believe yourself to be a designated  
6 approved collector, you provide evidence of that to both  
7 the local government and to this Board. And so we would  
8 be the person that would provide the documentation.  
9 Rather than having to have local government issue proofs  
10 of certification to the Board, we would give you a  
11 certification of designation. Then provided with that, if  
12 they disagree with it, they can bring it to the Board.  
13 The Board could revoke that designation. And it can only  
14 be reinstated by approval of local government.

15           The point is, rather than change the direction of  
16 the paper flow from local government to the Board to  
17 provide evidence that we're a designated approved  
18 collector, we would certify under penalty of perjury that  
19 we are a designated approved collector, provide you the  
20 evidence, provide local government the evidence, and then  
21 go about our business subject to appeal and review.

22           CHAIRPERSON MARIN: The League, I understand --

23           MR. WHITE: And League is fully supportive of  
24 this concept. They want to be able to have a designated  
25 approved collector segment in the regulations, which we've

1 left untouched, although they've added some other  
2 provisions as well, which I'll get to in a second.

3 CHAIRPERSON MARIN: I understand the counties had  
4 some concern with that strategy.

5 CHAIRPERSON MARIN: I was not aware of any  
6 concerns from the counties, per se.

7 BRANCH MANAGER WILLD-WAGNER: We did receive at  
8 least one e-mail from the counties. And because this  
9 proposal came out so late, I don't think, you know, Yvonne  
10 Hunter had a chance to review it. But the counties, for  
11 instance, that we received the correspondence from, Santa  
12 Clara County and others have probably -- well, I know they  
13 haven't even seen the proposal. So individually they have  
14 not.

15 MR. WHITE: I believe Yvonne represented to me  
16 she thought this would address their concerns. But I  
17 can't speak for the counties.

18 CHAIRPERSON MARIN: And I love Yvonne, and I  
19 would take her word representing the cities.

20 MR. WHITE: They had a conversation with them and  
21 she thought things were okay, I believe. But she's not  
22 here.

23 CHAIRPERSON MARIN: We'll let the counties speak  
24 for themselves.

25 MR. WHITE: That was number one. Basically

1 maintains designation approval of collector. It just  
2 changed who's responsible for providing proof of that and  
3 allows operators that meet that criteria to submit the  
4 proof to the state with a copy to local government.

5           The second area which Mark briefly mentioned is  
6 we believe that permitted facilities, franchise haulers,  
7 people that have solid waste service contracts with local  
8 government, and nonprofits ought to be able to collect  
9 these devices without providing names and addresses of  
10 everything they collect. And, instead, what we are  
11 suggesting is that they provide written certification  
12 under penalty of perjury showing the ending dates and  
13 beginning dates of their contract, franchise, or proof of  
14 their nonprofit status, the certification under penalty of  
15 perjury of their geographic area that they're providing  
16 this collection service to, providing under penalty of  
17 perjury the customer type to be served within that  
18 jurisdiction, and certification under penalty of perjury  
19 that we are not receiving knowingly any waste that was  
20 generated prior to the beginning of this program or from  
21 out of state.

22           And the reason why this works in my opinion is we  
23 are heavily regulated by this Board, by local government,  
24 either through permits or contracts. We believe we can  
25 meet the threshold level that we're not going to do

1 anything to jeopardize these contracts or permits. We  
2 already have a very close working relationship with the  
3 Board, with the local government on these areas. And we  
4 think that we can deliver this service with great  
5 confidence to you and everybody else that we're not going  
6 to be bringing materials in from out of state knowingly  
7 from the system. And we can rely on this enforceable  
8 under penalty of perjury documentation that we meet that  
9 test.

10 So number one is maintaining the designation of  
11 authorization as is previously in regulation but change  
12 the direction, change the movement of the paperwork  
13 documenting that.

14 Number two is to add another provision of who is  
15 exempt from having to provide this level of documentation  
16 with the names and addresses and limited to these  
17 additional -- for the purpose of these emergency  
18 regulations this additional group of people and services  
19 that we believe you can rely on with great confidence are  
20 not going to be bringing stuff in from out of state.

21 The third area is this 5 percent. Now, we are  
22 suggesting removing the 5 percent and during the course of  
23 the regulations see what happens in terms of what  
24 percentage is really out there. These are short-term  
25 regulations. They don't last forever. You can get a



1 sense of what is the level of reporting on these orphan --  
2 or I forget the term -- source anonymous waste that you  
3 have out there.

4           The only exception would be -- that's based on  
5 what the proposal is today. I think if you add in this  
6 language for permitted facilities, for franchise holders,  
7 for contract holders, and for nonprofits, you're going to  
8 take a lot of the concern away about the need for concern  
9 over percent limit. So we might be able to come to an  
10 agreement on a percent limit, if this other language  
11 related to permitted facilities, franchise holders,  
12 contractors, and nonprofits is added.

13           We think it's really low risk with respect to the  
14 integrity of the program for providing this relief. It's  
15 going to allow the collection of these devices much more  
16 smoothly without the burden of the sources. We're only  
17 providing services to local governments and local areas  
18 here within California. And we think the Board and the  
19 state of California can rely on that. And we are  
20 certifying under penalty of perjury that we're not going  
21 to do that, bring stuff in from out of state.

22           So that really kind of summarizes. There's other  
23 changes we're suggesting. The recyclers might be in a  
24 better position. I'll let Mr. Murray speak to those.  
25 That's really the three things that are of most concern to

1 the waste industry folks that I most directly represent.  
2 Chuck Helget couldn't be here, but he supports the  
3 approach we've taken in this thing, and he wanted me to  
4 let you know of that fact. So there is pretty broad  
5 support within the waste industry. We've worked closely  
6 with local government.

7 I should mention while Yvonne supports the change  
8 in the language related to designated approved collectors,  
9 she takes no position either for or against the idea of  
10 providing the same recordkeeping relief for permit  
11 holders, franchise holders, contract holders, or  
12 nonprofits. She has no position on that. She's not  
13 opposed to it. She's not for it. She's neutral on it.  
14 And that's the position she wanted me to make sure you're  
15 aware of. So while she is okay with the designated  
16 approved changes, she's neutral on the other.

17 CHAIRPERSON MARIN: Okay.

18 MR. WHITE: So we would very much like to have  
19 the opportunity -- I know time is short. These are  
20 emergency regulations. They're not permanent regulations.  
21 But they really would provide some immediate relieve that  
22 we believe is necessary to start bringing in the materials  
23 that are legitimate California materials in a cost  
24 effective, efficient manner.

25 And that's it for me. Thank you.

1           CHAIRPERSON MARIN: Thank you, Mr. White. I'm  
2 sure there are some people that disagree with some of your  
3 statements. And I'm sure we'll hear from them now.

4           Vinay Goel from Apple Computer. Thank you so  
5 very much for being here today.

6           MR. GOEL: Thank you for having me here today. I  
7 want to begin by saying these proposed regulations are  
8 unnecessary and contradicts the intent of the statute.  
9 The statute clearly states that the fund should pay for  
10 California waste or waste generated in California.  
11 Allowing source anonymous material is basically opening up  
12 the door for out-of-state waste.

13           There are three particular issues I want to bring  
14 up today. I know time is limited, so I don't want to  
15 waste everyone's time. The first is that the proposal's  
16 regulations were drafted way too quickly without the  
17 discussion. We don't understand why the Waste Board is  
18 deciding to fix a problem when we don't even know what the  
19 problem is. Is there really a problem? People are saying  
20 there are. Can they actually prove it?

21           Apple, for example, within the past eight months  
22 has collected 2500 devices. Of that, six of them were  
23 illegally dumped. That's less than 1 percent. We have a  
24 widely publicized free drop-off collection in the city of  
25 Cupertino, less than one percent. And we are taking steps

1 ourselves to stop that illegal dumping act. Set up signs.  
2 We set up fences. And we are taking it on our own  
3 responsibility. It's the cost of doing business in the  
4 state. It's the cost of being a collector.

5           Illegal dumping -- dumping a monitor illegally is  
6 a criminal act. Why not try to stop that act instead of  
7 incentivizing it and allowing it to proceed? By allowing  
8 collectors to claim 5 percent of illegally dumped  
9 material, they have no incentive to stop it. Instead,  
10 they're allowing it. There's no incentive there.  
11 Instead, the Waste Board should figure out a way to  
12 enforce the law and enforce documentation.

13           Some of our trade associations are going to talk  
14 about it further. But a 5 percent blanket is way too  
15 high. We believe the fee should be much lower, after we  
16 have the data to show what the fee should be. We would  
17 like to advise the Waste Board not to set too high of a  
18 fee and reevaluate it later on once the data actually  
19 comes in.

20           The last point we'd like to bring up, there is no  
21 need for a new category of designated collector. We  
22 realize there is some anonymous waste out there that is  
23 generated in California. All collectors and recyclers  
24 should be on the same playing field. They should be  
25 allowed the same rules and the same regulations.

1           Currently, the way it's drafted, there's no limit  
2 on what a designated collector could be or how many  
3 designated collectors the city could have. In addition,  
4 there's no cap of how much source anonymous waste they  
5 could claim. Really then, what's not stopping any  
6 recycler or collector from becoming one? There's no  
7 liability on the local government to have that. And  
8 there's no limit of what they actually can claim. Who's  
9 to show that what they claim is really in California or  
10 not? It's their word against no one's really.

11           Again, we're asking California consumers to pay  
12 for waste out of state, and the Waste Board is allowing  
13 illegal acts to continue under the claim that's really a  
14 problem without knowing there's a problem. It seems  
15 almost contradictory in the way the Waste Board is trying  
16 to pass a rule. Instead, what the Waste Board should do  
17 is figure out first if it's really a problem in California  
18 with California waste and then decide how to do that,  
19 instead of deciding there might be an issue. There might  
20 not be an issue. Let's pass a rule and allow waste from  
21 outside California into California just to meet that 5  
22 percent. I can almost guarantee you that collectors and  
23 recyclers will meet that 5 percent somehow, even though  
24 there might not be that problem. That's almost a given.

25           Again, Apple cannot stress enough that all

1 recyclers and collectors need to be on the same playing  
2 field. We don't understand why cities are having problems  
3 with the agencies. Instead of creating this new category  
4 that allows anyone to qualify, why not strengthen the  
5 definition of what the agency is to figure out what  
6 exactly qualifies it and apply it fairly across the Board.  
7 We do not need a new category that has even less rules.

8           Again, we would just like to stress that we  
9 believe these rules are unnecessary. And instead of  
10 incentivizing illegal acts, we need to prevent the illegal  
11 act from continuing. And setting new rules and  
12 regulations too high are not going to do that.

13           Thank you.

14           CHAIRPERSON MARIN: Thank you, Mr. Goel. Your  
15 points are well taken. And one of the fears, every time  
16 we put a cap, sometimes that becomes the floor and not the  
17 ceiling. And I can appreciate where all of a sudden  
18 there's going to be a 5 percent across the board, even  
19 where we haven't seen it. I am very cognizant of that.  
20 And I don't know how to stop that. You know, you want  
21 people to have integrity. And at the end of the day,  
22 they're going to -- I can almost see it where people will  
23 say we'll just claim 5 percent.

24           MR. GOEL: That's why our suggestion would be to  
25 see what the problem is before the actual regulations are

1 passed. And at that point, up until that time frame,  
2 recyclers that are collecting material are not  
3 incentivized to collect source anonymous waste. So the  
4 number in the report, without being paid for it  
5 originally, would actually be accurate. If you  
6 incentivize 5 percent now, that will guarantee you will  
7 have at least 5 percent, if not more. But by limiting it  
8 now, the numbers will actually be true.

9 And I guess one more point I wanted to bring up  
10 is that we realize that a coalition has been formed and  
11 introduced a proposal yesterday. It's unfair for  
12 manufacturers and collectors such as us who haven't been  
13 involved in the process to be given two weeks, if not  
14 less, to prepare comments and --

15 CHAIRPERSON MARIN: Why wasn't Apple involved?

16 MR. GOEL: You're asking the wrong company. We  
17 would like to be involved in any further discussions and  
18 we would --

19 CHAIRPERSON MARIN: Are you representing Apple?

20 MR. GOEL: Yes.

21 CHAIRPERSON MARIN: Why weren't you involved?

22 MR. GOEL: No one has asked us to actually see  
23 those rules or proposals. We would like to see it at the  
24 table, and we would ask they invite us.

25 CHAIRPERSON MARIN: I certainly would love to --

1 let me explain this. I am sure your company has an  
2 incredible amount of people that look at anything that is  
3 happening that impacts your industry. When the Board  
4 started two years ago, at least two years ago, dealing  
5 with the issue of e-recycling, I'm sure Apple was very  
6 well aware that this was in the process.

7 MR. GOEL: We've been involved throughout the  
8 whole process. We've been involved in almost every  
9 stakeholder meeting. We were here last month. But today  
10 about ten minutes ago was the first time I saw the  
11 proposal or even knew what they were proposing that was  
12 submitted last night.

13 CHAIRPERSON MARIN: Well, you know, some of the  
14 stakeholder groups, they have a right to come to an  
15 agreement on their own.

16 COMMITTEE MEMBER WASHINGTON: So you're not  
17 talking about staff presentation? You're talking about  
18 the industry presentation?

19 MR. GOEL: Yeah.

20 COMMITTEE MEMBER WASHINGTON: We can't control  
21 that.

22 CHAIRPERSON MARIN: People have a right to come  
23 together as a group.

24 MR. GOEL: We agree with that.

25 CHAIRPERSON MARIN: But let me just say this, Mr.



1 Goal, because their proposal is just as good as your  
2 proposal.

3 MR. GOEL: And we realize that. I guess our fear  
4 was there was discussion of having that brought up at the  
5 Board meeting in two weeks.

6 CHAIRPERSON MARIN: Yeah. We're going to bring  
7 it --

8 MR. GOEL: We're asking for a better stakeholder  
9 process and just for discussion before its brought to the  
10 full Board. Everyone's input can be given.

11 CHAIRPERSON MARIN: Well, this is part of the  
12 process. We are listening very clearly what you very  
13 successfully have articulated. So this is part of the  
14 process that some individuals have a definite right to  
15 come together as a group.

16 MR. GOEL: We agree with that.

17 CHAIRPERSON MARIN: That's their proposal.

18 But let me reiterate that I am listening. We are  
19 listening as a Committee of the Board very clearly to what  
20 you are saying. We're listening to what that group is  
21 saying. And we have ten more people that want to say  
22 something. So it is not -- you know, your proposal or  
23 your comments are no less than what any other speaker will  
24 be. We're all taking that into consideration.

25 MR. GOEL: Thank you.

1 COMMITTEE MEMBER WASHINGTON: And let me make  
2 sure you're clear. If you remember, I asked counsel --  
3 and I think he wants to say something else about this --  
4 was there a possibility where everyone can be notified.  
5 It's certainly not our intent not to include everyone. If  
6 you have a proposal, we'll do the same thing for yours.  
7 We'll make sure everybody gets your proposal and what  
8 you're suggesting in terms of changes. So we want to make  
9 sure no one is left out of the process of this.

10 CHAIRPERSON MARIN: Just so that you know,  
11 Mr. Goal, one of the reasons why we as a Board are very  
12 successful and the one thing that all the stakeholders  
13 always give us pats on the back is because our stakeholder  
14 process is really good.

15 MR. GOEL: And your staff is amazing, too. We've  
16 had many discussions with them throughout that time frame  
17 and we appreciate that. That's why we're asking to  
18 continue that process before the Board jumps too far.

19 CHAIRPERSON MARIN: Mr. Conheim.

20 STAFF COUNSEL CONHEIM: Madam Chair and Mr.  
21 Washington, our job is to synthesize the best proposal for  
22 Board consideration, not to bring back one or another of  
23 an externally suggested proposal in its entirety. And we  
24 certainly can open the discussions of some of the ideas  
25 that we've heard today to a greater number of people. It

1 will be a problem given the time frame to have another  
2 noticed workshop. But we can include more views.

3 CHAIRPERSON MARIN: Let me ask you, is there a  
4 deadline as to why we need to amend these emergency  
5 regulations by the next Board meeting? Because if it  
6 isn't, then we can delay it one more month.

7 STAFF COUNSEL CONHEIM: Let me be so bold as to  
8 actually speak for Chuck and Mark. They've asked for  
9 relief sooner than later. We've been trying to  
10 accommodate bringing an acceptable proposal at the  
11 earliest possible date. Because if there weren't an  
12 urgency, we would move these into the permanent regulation  
13 process where there's full notice and many workshops. So  
14 that's the reason that there's no legal deadline. But  
15 there is a perceived and an expressed urgency on the part  
16 of some stakeholders to have mid-term, mid-course, we've  
17 used the word e-tweaks, to the regulations in advance of  
18 our engaging in the longer process of permanent  
19 regulations. So the sooner we can do this, the better.  
20 We just cannot -- if it's necessary to have a workshop, if  
21 we agree that it's necessary to have a larger discussion,  
22 we can't do that by the Board meeting.

23 CHAIRPERSON MARIN: We cannot?

24 STAFF COUNSEL CONHEIM: This is what our concern  
25 was and what Shirley expressed to you is that with the

1 proposal that we have before us, if it were acceptable to  
2 the Board, it could move through the October Board cycle.  
3 But if we have to make significant structural changes and  
4 get more input, which we are committed always to do, we're  
5 recommending to you that we would be moving too fast and  
6 trying to do too much to do it in the October Board cycle.

7 CHAIRPERSON MARIN: Well, let me tell you what we  
8 are going to do, because we are of the belief no one  
9 should be left behind. As much as a group of people wants  
10 to move as fast as possible, they need some relief, I  
11 understand that. But we're not going to do it at the  
12 expense of eliminating good voices with certain concerns.  
13 And we're not going to expedite it. If we need to have  
14 one more workshop, we're going to do it. And we're going  
15 to ensure that all of the voices are heard.

16 Let me tell you, this is part of that process.  
17 And we try very hard to come to agreement. And if we're  
18 moving and there's one agreement on one thing, that's  
19 fine. We'll move that way. If it isn't, we're not. It's  
20 just not worth it. And the integrity of the process and  
21 the integrity of the stakeholder process and input is one  
22 that this Board will continue to uphold. So if we need to  
23 delay it one more month, it's time well spent.

24 COMMITTEE MEMBER WASHINGTON: Madam Chair, let me  
25 attach myself to your comments. And I do believe that

1 Mark Murray, Chuck White, and those gentlemen are  
2 honorable men. And I have no doubt in my mind that though  
3 they might not like the idea, they do understand that we  
4 try to do and we will do due process. To me, it is worth  
5 having another workshop. It is absolutely worth it. And  
6 I think that out of that workshop you can bring forth the  
7 information. We go forward from that.

8 But to put it off for a month or so, I don't  
9 think anybody is going to go bankrupt. I don't think the  
10 state is going to be sitting around with pounds and tons  
11 and thousands of tons of e-waste sitting around because we  
12 put this off a month. It just makes good sense. And it's  
13 good sense for us as a public Board for us to do so to  
14 give those folks an opportunity to bring forth their  
15 proposals and sit down with everyone and work this thing  
16 out so we can go forward with the best proposal possible.

17 CHAIRPERSON MARIN: We're going to do that.  
18 We're going to continue to take the input right now, and  
19 maybe everybody will hear everybody else. And maybe that  
20 will take us even closer to some resolution. But we will  
21 just schedule this for the next Board meeting, November  
22 Board meeting. November we're going to be in San Diego.  
23 Does everybody want to go to San Diego? There's one from  
24 San Diego back there.

25 BRANCH MANAGER WILLD-WAGNER: We do have several

1 Southern California stakeholders. But we can schedule a  
2 workshop as quickly as possible. Definitely commit to  
3 that.

4 CHAIRPERSON MARIN: And then maybe we just need  
5 to revisit whether we'll -- do it in November anyway,  
6 regardless. Okay. Thank you so very much.

7 The next person that we'd like to hear from is  
8 Mr. Tony Morabito from Hewlett-Packard.

9 MR. MORABITO: Madam Chair, Mr. Washington,  
10 thanks for letting me speak.

11 First I'd like to commend you on your decision to  
12 delay. I think that's very wise, and we appreciate the  
13 chance to give our input as well.

14 So after some discussions with various parties,  
15 we have some input on the proposals and we'd like to share  
16 with you. First, HP would like to acknowledge there is  
17 legitimate source anonymous waste in California. We do  
18 have some input, though, we'd like you to consider in this  
19 process. We feel that all collectors -- all approved  
20 collectors under the program deserve the same treatment.  
21 We don't feel that the source abandoned waste chooses  
22 where to show up. So by only allowing the designated  
23 approved collector that eligibility seems to create an  
24 unequal playing field.

25 We have a concern in setting that amount, an

1 arbitrary amount, without the presence of data. And I  
2 know that's already been stated. However, if an amount  
3 were to be forthcoming, we would encourage it to be low.  
4 And I guess that's what I'd like to say on that.

5           Anyone that feels like the issue is more  
6 significant than that, they have several months to  
7 document that issue.

8           I also concur with Apple's position that the  
9 assignment of a designated approved collector we feel is  
10 unnecessary, and again it perpetuates this uneven playing  
11 field. Our recommendation would just be to remove that  
12 language.

13           CHAIRPERSON MARIN: Let me understand that. You  
14 want to remove the language of the designated approved  
15 collector?

16           MR. MORABITO: We feel that's not necessary.

17           CHAIRPERSON MARIN: What would it be instead?

18           MR. MORABITO: We feel by giving some small  
19 percent some amount to the entire waste industry, that  
20 would address the abandoned waste issue.

21           CHAIRPERSON MARIN: I'm having difficulty  
22 understanding that.

23           MR. MORABITO: We feel that the current  
24 definition of agent in the current regulations is adequate  
25 and the addition of this designated approved collector

1 seems unnecessary and feels like it's creating an uneven  
2 playing field.

3 CHAIRPERSON MARIN: We have a problem where agent  
4 is a legal problem for cities.

5 MR. MORABITO: We feel like with the due process  
6 maybe we'd be able to better analyze how to fix this agent  
7 issue.

8 CHAIRPERSON MARIN: Let me see if I understand  
9 this. So you do not want the word agent there?

10 MR. MORABITO: What I'm saying, the creation of  
11 this designated approved collector seems like an  
12 inarticulate way of handling the agent issue. And we'd  
13 like the chance to work with you on fixing the term agent.  
14 It just seems like that designated approved collector, as  
15 Apple iterated already, pretty much anyone can get that  
16 status. And by doing that, you're opening the door to  
17 potentially out-of-state waste, and it's really inviting  
18 sloppy recordkeeping in our opinion.

19 CHAIRPERSON MARIN: Well, that's going to be a  
20 difficult issue because for cities, that's a very, very  
21 sticky point. So I don't know whether we're going to be  
22 able to have consensus on that. But I appreciate your  
23 concern.

24 MR. MORABITO: Well, hopefully we can continue to  
25 work on that prior to the -- during the next stakeholder



1 meeting.

2 CHAIRPERSON MARIN: Please do.

3 MR. MORABITO: I guess something that's just  
4 more --

5 COMMITTEE MEMBER WASHINGTON: A question before  
6 you finish.

7 Did you hear under the designated collectors you  
8 talked about franchise holders and folks that are  
9 permitted. Because it sounds like to me you think  
10 everyone is going to go out there and issue these permits  
11 out like any and everybody can hear them. Did you hear  
12 Mr. White's definition?

13 MR. MORABITO: Yeah. I guess my interpretation  
14 of the regulations -- maybe I need to read them more  
15 closely again. It didn't seem like there was a control on  
16 how many of these designated approved collectors there  
17 could be. And it seems like that needs close examination.

18 COMMITTEE MEMBER WASHINGTON: Well, just so you  
19 know, under our permitting process, the folks here we're  
20 talking about have already been through the process to be  
21 permitted. So you don't have in one city 700 people  
22 running around saying we're designated collectors. These  
23 are only for permitted folks who've already -- you can go  
24 back and take a look. But I just caught that when you  
25 said that, and I just wanted to make sure.

1           CHAIRPERSON MARIN: I think Mr. Moretto has not  
2 seen the proposal either. That's why he's asking for that  
3 extra time.

4           Hold on one second. Shirley.

5           BRANCH MANAGER WILLD-WAGNER: I just wanted to  
6 make it clear, Committee members, at which point we're  
7 talking about the proposal of staff's versus the  
8 proposal -- it seems like sometimes we're mixing the two  
9 together and talking about designated collectors under the  
10 proposal brought forward by Chuck White different from  
11 ours. So I think we want to make sure that the speakers  
12 are clear in which one we're talking about. I'd request  
13 that.

14           COMMITTEE MEMBER WASHINGTON: And I do, Madam  
15 Chair, think we've taken the turn to go to Chuck White's  
16 proposal and we left this proposal.

17           CHAIRPERSON MARIN: Forget about Chuck White's  
18 proposal.

19           MR. MORABITO: I'll try to do that.

20           So also I guess something that's maybe just more  
21 particular to HP, the term abandoned waste, it seems to be  
22 hanging around out there. But I'm still unclear as to the  
23 exact definition of abandoned waste. I know the Board's  
24 done a good job, staff have done a good job of trying to  
25 address this term source anonymous waste. Abandoned

1 waste, however, to me seems like it still needs to be  
2 addressed.

3 I'll give you an example. We, along with Noranda  
4 Recycling we have a strategic alliance with, we conducted  
5 a take-back event a week ago last Saturday. And we had  
6 about 700, 800 cars. I don't know the exact number. And  
7 we had one person who would not give their name and  
8 address.

9 By the definition, is that abandoned waste? If,  
10 I mean, we know -- the gentleman's in front of us. He  
11 gives us a monitor. And he says, "I don't want to give  
12 you my name and address." Now, surely the right thing to  
13 do is recycle that unit and keep it out of the landfill as  
14 we all want to do. I'm unclear as to whether or not that  
15 would fit the definition of abandoned waste or not.

16 CHAIRPERSON MARIN: It would be source anonymous.

17 MR. MORABITO: Okay.

18 CHAIRPERSON MARIN: But only that one.

19 MR. MORABITO: That's the cap, one unit.

20 I guess in closing, I guess the reason why HP  
21 cares as well -- as you know, we're a major manufacturer.  
22 We're also a major recycler. We're also one of the  
23 largest in the country. We recycle about three-and-a-half  
24 million pounds of material every month. We have  
25 visibility of what's going on in the industry. Why we

1 care from a manufacturing side is we feel it's paramount  
2 that we be able to keep these fees low for our consumers.

3 So I thank you for the opportunity to speak.

4 CHAIRPERSON MARIN: I certainly appreciate,  
5 Mr. Morabito, your being here. I have been to your site  
6 in Roseville. I'm extremely impressed with what you are  
7 doing prior to any recycling law. And we applaud your  
8 efforts. We certainly commend you for them. And we would  
9 like to continue to work together. I will believe we can  
10 come to an agreement where everybody is maybe 95 percent  
11 happy.

12 MR. MORABITO: Thank you very much.

13 CHAIRPERSON MARIN: Thank you. Ms. Christine  
14 Henke from the American Electronics Association.

15 MS. HENKE: Good afternoon.

16 CHAIRPERSON MARIN: Thank you for being here.

17 MS. HENKE: Sorry for the confusion with the  
18 letter that I dropped off this morning. I had sent it to  
19 the list serve on Friday and got it rejected. So --

20 CHAIRPERSON MARIN: I'm sorry. Can you repeat  
21 that again?

22 MS. HENKE: I sent it to the e-waste at CalEPA  
23 and it was sent back to me. I just got it back this  
24 morning. So it's not a huge deal, but I apologize for the  
25 late arrival of the letter for your sake.

1 I'd like to echo some of the concerns that Apple  
2 and HP mentioned. We acknowledge that there's a problem  
3 with source anonymous waste, but we want to make sure that  
4 adequate data is collected before we set an arbitrary  
5 number. And if we have to set an arbitrary number, at  
6 this time we would recommend it be set at a very low  
7 amount, perhaps 1 percent.

8 We just have concern about changing the  
9 regulations without a clear sense of what the problem  
10 actually is. And we definitely want to be involved in any  
11 future stakeholder workshops. We have not seen the  
12 proposal that was mentioned earlier today and appreciate  
13 the sentiment that we will continue discussions around it  
14 over the next month.

15 CHAIRPERSON MARIN: Thank you very much. And  
16 believe me, you will be contacted for any and all  
17 stakeholder meetings.

18 Ms. Julie Dunn from Dunn & Son Recycling. Thank  
19 you for being here with us, and I know it's longer than  
20 some people anticipated.

21 MS. DUNN: Thank you for having me. I e-mailed  
22 you guys on yesterday, and I just wanted to make sure I  
23 could present a face behind the letter. I'm not always  
24 able to make these meetings as I'm in Fresno. So some of  
25 you guys I have talked to. In fact, I spoke with a lot of

1 you guys, and probably I bugged you to death. And I do  
2 appreciate your help, believe you me.

3 My husband and I started Dunn & Son Recycling  
4 this year. We became certified in April. We're actually  
5 a trucking firm. So the recycling company has actually  
6 piggybacked the trucking firm.

7 As far as the anonymous waste situation, it is  
8 out there. I'm one of the actual collectors who have not  
9 been paid for this anonymous waste. Maybe you could say  
10 I'm in the 7 percent, if you will. I'm not really sure of  
11 the regulations. I've had numerous discussions -- is Alan  
12 here? Alan Glabe, is he here? Well, I want to make sure  
13 I meet him. Because he has been a Godsend. I have called  
14 him and bugged him and left messages and bounced things  
15 off his head. He's probably like, "not Julie Dunn again."

16 And then Jeff Hunts, I know he doesn't take my  
17 calls any more. But it's okay. I can fend for myself.  
18 And in fact, I think Marilyn helped me, if I remember her  
19 name correctly. At this point, I'm just grabbing any able  
20 body.

21 But anyway, I do want to say as far as source  
22 anonymous material --

23 CHAIRPERSON MARIN: There's one able body over  
24 her.

25 MS. DUNN: I see that now.

1           As far as source anonymous materials, we do need  
2 direction out there, you guys. I'm from Fresno. I have  
3 seen it. It is tons of items. I get calls every day just  
4 because of the nature of my business. We're a trucking  
5 firm. We are able to move large amounts, if you will. We  
6 are able to do pickups. We offer pickups. We have a  
7 warehouse set up. We do get calls every day for these  
8 items to be picked up.

9           Originally, because I did not understand the  
10 regulations fully, we did go around and pick up these  
11 items, you know. And every single business that I pick up  
12 from, I require them to give me a letter detailing the  
13 dates, you know, who I got it from, who you can contact if  
14 you're not satisfied, you know, get the answer. However,  
15 these regulations about name and addresses, this is  
16 something that you guys have tried to implement. And I'm  
17 going to say tried to implement, because we're still in  
18 the planning stages.

19           However, what do you do about the items that are  
20 already out there? What am I supposed to do about the  
21 items that were dropped off, say, January, February,  
22 March, and these people are long gone? And I have these  
23 nonprofit organizations such as AMVETS, such as the  
24 Salvation Army, even the TV appliance repair places who  
25 are calling me and asking me to pick these items up. And

1 I'm telling them, "Well, I can't pick them up. I need to  
2 have name, address, and whatever. And if for whatever  
3 reason they cannot gather that information, am I to ignore  
4 the items? Am I to leave it there? I'm not really sure  
5 what my recourse should be. What exactly should I tell  
6 them?

7 And the items are out there. I don't get to make  
8 it to all the meetings. In fact, this is the first  
9 meeting I was able to make it to. I have no problem going  
10 around Fresno County if you will and just making a chart  
11 if you will of who I talk to, their names, how many items  
12 do they have, how many items can they provide  
13 documentation for. I'm not talking about 10 or 20 items.  
14 I'm talking about hundreds of items.

15 CHAIRPERSON MARIN: Let me just ask you very  
16 generally, you've been in this business for seven months,  
17 eight months?

18 MS. DUNN: Yes.

19 CHAIRPERSON MARIN: An estimation, how many items  
20 or tons have you collected, either way, an estimation?  
21 I'm not going to hold you to that.

22 MS. DUNN: Just an estimate, I'd say just a  
23 guess, I'd estimate I've probably collected about 150,000  
24 maybe 200,000.

25 CHAIRPERSON MARIN: Items?



1 MS. DUNN: Pounds.

2 CHAIRPERSON MARIN: Let's say 200,000 tons.

3 MS. DUNN: Not tons, pounds. My math skills  
4 don't go that far. Give me pounds.

5 CHAIRPERSON MARIN: We deal in tons, millions of  
6 tons. So 200,000 pounds of electronics. Of those, how  
7 many you cannot account for? Your best estimate.

8 MS. DUNN: I would say maybe 50,000, 60,000.  
9 Well, it is a lot for me being a small business. My  
10 husband and I, as I said, we piggybacked it off of the  
11 trucking, so the trucking business has basically been  
12 carrying the recycling business. And for me, that's a  
13 problem. Because when the trucking money has to go to the  
14 recycling money to pay for it, then that's taking money  
15 away from my family.

16 CHAIRPERSON MARIN: Is this mostly at the very  
17 beginning of your business when you didn't know that you  
18 had to collect --

19 MS. DUNN: Exactly. I wasn't quite clear. And  
20 I've called you guys. I mean, I've had so many  
21 discussions about this as far as the log. Even the  
22 wording in you guys' log contradicts yourself. And I know  
23 we're not talking about that today. But even the wording  
24 in your log is contradictory. You say one thing, but then  
25 when I turned in my paperwork, they say, "No. That's not

1 good enough."

2 CHAIRPERSON MARIN: Let me ask you one more  
3 question. During the last week, how many pounds have you  
4 collected? Just your best guess.

5 MS. DUNN: Well, 15,000 maybe.

6 CHAIRPERSON MARIN: 15,000, more or less. Of  
7 those 15,000, how many you do not have a source?

8 MS. DUNN: Well, there are none that I do not  
9 have a source, because I will not pick them up without a  
10 source now, because I cannot get paid. Now, if we can  
11 take it one step further, if you want to know what I can  
12 go back to Fresno today and go pick up that does not have  
13 a source, you're talking 100,000, that I can go and pick  
14 up today, that I can take my truck and I have two trailers  
15 and that I can fill.

16 CHAIRPERSON MARIN: Well, that raises a very  
17 different issue for us, because -- and we're not going to  
18 actually -- I'm not even going to say it. But let me --  
19 it's a very different issue.

20 MS. DUNN: I understand. And for me it's  
21 different, too, because I know we can only pick up items  
22 that was collected after January 1st, because that's when  
23 the program started. However, if we are going to ignore  
24 the items that are out there regardless to when they were  
25 collected, then aren't we defeating the whole purpose of

1 the program? Because the items are out there. They're  
2 seeping into the ground. They're rotting. They're doing  
3 their thing. They're doing whatever they do. But we  
4 cannot sit over here and say, "That doesn't qualify. We  
5 didn't collect it on such and such a day. Oh, well."  
6 Because sooner or later we're going to have to deal with  
7 it. And maybe I won't deal with it. Maybe my kids will  
8 have to deal with it. But sooner or later, we're going to  
9 have to deal with this stuff, because it is out there.

10 And again it's just very difficult, because I  
11 don't know what to tell them. And for me, personally, I  
12 try to do a good job. I mean, it's a good service.  
13 Especially the senior citizens and stuff, they love that  
14 you will come and pick up these items for them. They  
15 can't move all these items.

16 And, I mean, realistically, some of these TVs are  
17 older than me. I don't know where they got them from.  
18 They're antiques, okay. But, you know, we have to address  
19 it. I mean, it's out there. And us in Fresno, Dunn & Son  
20 Recycling, we want to comply. And I have poured over the  
21 regulations. I have read them frontwards, backwards,  
22 sideways. I have solicited as many comments as I can  
23 about them. But it's very difficult when you don't know.

24 Now, it could be a situation where perhaps you  
25 could grandfather in. And I don't know how we would come

1 up with that or how you would come up with that, items  
2 collected to date or items collected through this year,  
3 being it's a new program. But at some point maybe I --  
4 and, actually, that's what I'm doing now with the clients  
5 that I have. I need to get out and need to educate them.  
6 And I need to say, "Look, if you want me to pick this up  
7 when you get this monitor in here, you have to give me a  
8 name and address. You can no longer say, 'Oh, great.  
9 Thanks. We appreciate it.'"

10 And I'm, in fact, preparing logs for them and  
11 letters. And, you know, I'm going around talking with  
12 them and letting them know if you want Dunn & Son  
13 Recycling to pick these things up, this is what you have  
14 to do. However, it still doesn't address the things I  
15 have out there.

16 I just have two more pages, too. And I realize  
17 maybe I'm not at the right meeting, but hey, I'm here.  
18 I'm going to go for it, because I don't think I'll be able  
19 to go to San Diego.

20 The TV shops, what do they do? These are  
21 items -- you have to keep in mind, most TV repair places  
22 are small businesses such as myself. So more often than  
23 not, they may have inherited the business, okay. They may  
24 have bought the businesses from Joe Blow who took off and  
25 just left, you know, 40, 50 TVs in the back room or

1 whatever. You know, we need to have some direction as far  
2 as what do they do. What do I tell them?

3 And then as far as the numbers, if it would help,  
4 I would be more than willing, as I said, to go around  
5 Fresno and to get you guys numbers and get you names and  
6 get you people. You know, let you know that -- you know,  
7 they have 1,000 items, and this place has 600 items. Or  
8 give you a guesstimate to let you know that, that the  
9 problem is out there, that that is something that we need  
10 to have addressed.

11 CHAIRPERSON MARIN: Your last page?

12 MS. DUNN: That's it. Thank you. I appreciate  
13 your time, all you guys. I appreciate all of your help,  
14 believe you me. And I know I bugged you guys to death,  
15 but I need you right now.

16 CHAIRPERSON MARIN: Okay.

17 COMMITTEE MEMBER WASHINGTON: Madam Chair, let me  
18 just say in all the humor she has shared, I think a lot  
19 has been said where the rubber meets the road. This is a  
20 person who is actually out there doing this stuff. And I  
21 think these are the type of comments that we really do  
22 have to take under consideration when we're making  
23 decisions in term of regs and how do we get individuals  
24 like herself -- and she's one of many out there who  
25 probably have the same frustrations and the same concerns

1 as to how they move forward with a mom and pop shop where  
2 in Downey the folks have been sitting there for 48 years,  
3 and he does have these antiques TVs in the back. What do  
4 we do with those things?

5 So I think she raised some good points, and I  
6 certainly appreciate you, Ms. Dunn, coming and speaking to  
7 help us to really try to figure this thing out. And I  
8 know Madam Chair is very grateful for your presence here  
9 today.

10 MS. DUNN: Thank you so much. I need you guys to  
11 help me provide the services.

12 COMMITTEE MEMBER WASHINGTON: Thank you.

13 CHAIRPERSON MARIN: Thank you, again.

14 Next is Ms. Katherine Brandenburg from the  
15 Flanigan Law Firm, ISRI.

16 MS. BRANDENBURG: Thank you very much. My name  
17 is Katherine Brandenburg. I'm with the Flanigan Law Firm.  
18 We represent the Institute of Scrap Recycling Industries,  
19 which is I-S-R-I, ISRI.

20 As Ms. Dunn put it -- I think she has been by far  
21 one of the best speakers who can really explain what is  
22 going on out there. And I don't want to just reiterate  
23 what everyone said, but what I'd like to ask staff and the  
24 Board to look at along with the many things that have been  
25 said, we really look at revisiting the documentation that

1 has been turned down. There have been claims that have  
2 been turned down. I think they should be revisited,  
3 because we all understand there is a problem. You know,  
4 or there have been situations where we need to revisit  
5 everything. So that is one of our main concerns with the  
6 industry and with the e-waste recycling.

7 And the other thing is the source anonymous  
8 material really -- we appreciate and like what staff has  
9 put down and along with what staff has done. The Chuck  
10 White proposal, we very much support that.

11 So thank you very much.

12 CHAIRPERSON MARIN: Thank you, Ms. Brandenburg.  
13 We really appreciate you being here as well.

14 Next person is Leonard Lang from Allan Company.  
15 I know why you want to go to San Diego.

16 MR. LANG: It's close to home.

17 CHAIRPERSON MARIN: You're closer to San Diego.

18 MR. LANG: Madam Chair and Mr. Washington, I'd  
19 like to thank you for the opportunity. First of all, let  
20 me say that I represent Al & Company. We are authorized  
21 as eleven collection locations. We are also members of  
22 ISRI, and I am the current acting President of ACRI, the  
23 Association of California Recycling Industries.

24 I'd first like to say that I am considered an  
25 authority on the Bottle Bill and swum in those

1 regulations, and it is a pleasure to work with this staff.  
2 They go out of their way to work with us and to hear us.  
3 And I'm not used to that. So first I want to say that.

4           Next as far as the proposals, some of these  
5 definitions can be helpful, especially source anonymous as  
6 I see it. I'm still concerned about one definition and  
7 that's California sources, which excludes California  
8 sources. So there is a contradiction there, and I see  
9 that as a part of the problem.

10           As with the Bottle Bill, who I consider Byron  
11 Sher the godfather of that program and the father of this  
12 program, that law when it was written required that the  
13 programs start with an auditing program. I would  
14 encourage you heavily to start working on an auditing  
15 program for this program. That's where a lot of these  
16 issues lie. That's where a lot of the denials have come  
17 from. We, ourselves, have been denied on payments, and  
18 we've been denied for source anonymous material from a  
19 city, for material that was brought in by a handyman and  
20 for material that came from a nonprofit. And these are I  
21 think important issues that need to be addressed.

22           As far as auditing, you need to allow for  
23 donations and abandoned waste issues like Mark Murray  
24 talked about with the division of recycling. Address  
25 concerns for protecting the fund. Those need to be dealt



1 with. But you need to establish procedures to deny  
2 payments which are -- there are no real procedures for  
3 denying payments. There's no due process for us as a  
4 collector to come back and say this is a legitimate claim  
5 or to make our point in court.

6 In the denials, the denial goes to the recycler.  
7 It doesn't come to the collector. So you've put a step in  
8 here that's not accountable. We're not accountable.  
9 You're not accountable to us. And that has to be  
10 addressed. In the Bottle Bill, there are auditing on two  
11 levels, which in this would equate to the recycler and to  
12 the collector. And I see that as paramount that needs to  
13 be addressed that you have to have a whole auditing  
14 program there.

15 I thank you.

16 CHAIRPERSON MARIN: No. We thank you, Mr. Lang.

17 As a matter of fact, one of my two things that I  
18 wrote myself coming in here was audit, and I had a big  
19 question. Are we working on an auditing program for this  
20 effort?

21 BRANCH MANAGER WILLD-WAGNER: We currently have a  
22 contract with DOF, Department of Finance, to do some  
23 financial fiscal audits. It's a very small contract for  
24 05-06. We're pursuing other avenues for next fiscal year  
25 that we have been -- that we're trying to develop the

1 proposals. Our current staff does not have the knowledge  
2 or the time that -- the Resources current staff doesn't  
3 have the knowledge to do the full audit program. But we  
4 will be starting at least something with the Department of  
5 Finance.

6 CHAIRPERSON MARIN: There you go. Thank you.

7 Okay. Two more, and that's it. Mr. Dennis  
8 Kazarian. Mr. Kazarian is a very good friend of all of  
9 the Board members. I know that when you were the Senate  
10 staffer for Mr. Chuck Calderon, you dealt with Mr.  
11 Washington and certainly with me. And now I think all  
12 four of us have visited your site. Go ahead.

13 MR. Kazarian: Well, thank you. I appreciate the  
14 opportunity. I want to again, as always, tell you what a  
15 great job we have and great relationship that staff has  
16 put in the time and effort and thoughtfulness.

17 It is a continually growing consistently changing  
18 situation we have. It's been complicated, and I think we  
19 are getting closer. But we continue -- the closer we get,  
20 sometimes the further out it gets. But we'll get there.

21 In the proposal, I'm a little fascinated in  
22 hearing some of the comments and the lack of understanding  
23 of abandoned waste. We are not a boutique, we in the  
24 industry, I say. And as you know, recycling, you've been  
25 to my site in Los Angeles and one in Hayward, California.

1 We do not have just a facility that collects 14 a day  
2 where people just drop them off and put their name and  
3 address very nicely.

4 We collect from up and down the state from  
5 numerous facilities and different ventures, from JPL to  
6 NASA to the small mom and pop collectors who run around  
7 the state trying to collect stuff like the Dunns from  
8 Fresno to San Diego to Northern California to the Good  
9 Wills. You spoke about Good Wills. I have Good Wills. I  
10 have the Salvation Armies. I have landfills and solid  
11 waste facilities and refuse companies. These companies  
12 don't go to Apple. They have no idea what abandoned waste  
13 is.

14 In a city that is -- and the reason we have a  
15 designee for cities and collectors and a different issue  
16 for them is when they were dropped off in cities, dropped  
17 off in alleys, dropped off in places -- cities picked them  
18 up, and they were abandoned waste, and what were we to do  
19 with them? Either to bring them into the system, we gave  
20 them a designation of collectors and cities being able to  
21 bring those in as abandoned material. We were able to  
22 expand that definition somewhat when we realized that the  
23 issue became that there were other groups, whether it be  
24 haulers or other groups, that were able to pick that  
25 material up in a contractual agreement. And if they got a

1 letter from the agent or from the city to become an agent,  
2 an extension of that, they could bring that abandoned  
3 material in.

4 But it became clear that cities whether you  
5 change the word designee or agent, there was a resistance  
6 by cities and some counties to get involved in that  
7 process at all. Whether it was their decision because  
8 they didn't want the responsibility of having somebody  
9 else on their tab, or if it was a political issue and it  
10 caused a concern that they might have to give it to more  
11 than one group. And we found that inequity. That  
12 inequity still exists today. In some instances, material  
13 that is picked up by a hauler or picked up at a transfer  
14 station or taken out of the landfill, which they are  
15 mandated by the state to do a load check because they have  
16 a state permit and pulled out, they cannot get that  
17 material into the system. It's not allowed into the  
18 system. Yet, if they have a letter from the county or the  
19 city, in some instances, that material is good.

20 And, in fact, let me give you a terrible classic  
21 example. If you had abandoned material in a landfill that  
22 was not designated by a city to be an agent of local  
23 government, if you took that material and dropped it off  
24 in a city that was a collector, that material could get  
25 into the system. That is total inequity. Is that

1 material illegal in California? Is it not California  
2 material? I don't know. But the likelihood is it is.

3           And it is a simple distinction. It is the  
4 paperwork and the designation that is the problem here.  
5 Not the material that's out of state. Not some ridiculous  
6 5 percent of abandoned material. We're talking about some  
7 nonsensical number. We're talking about the methodology  
8 in which we get this material in. If it's good under some  
9 paperwork, it's good under any circumstance. And to  
10 ridiculously try to define that or make us maneuver it  
11 into a different forum or a different avenue so it's  
12 acceptable is not what this law was intended to do. The  
13 legislative intent was easy, convenient, and free for  
14 consumers to be able to drop off this material.

15           Abandoned material doesn't fit that, but  
16 abandoned material is abandoned material from the state of  
17 California. And the intent was keep it out of the  
18 landfill. Consumers have paid for it. Get it out of the  
19 landfill. That's our task. Okay.

20           And so when we're talking about a definition of  
21 designation of certification, what we're saying is the  
22 cities really, in all honesty, probably don't want to be  
23 the designee. They don't want that responsibility. You  
24 can ask Yvonne Hunter. But why do they want to get  
25 dragged into this? You put them into that situation. You

1 put them into that situation, because they got to be a  
2 collector, and they didn't have to record the material.  
3 So you said, "By the way, here. We'll expand this. You  
4 do it." I'm not saying it was wrong. I'm just saying  
5 that because of the way we do this, it's wrong. We ought  
6 to look at some type of serious new definitions of who  
7 ought to be able to take this material without source  
8 documentation and get it into the system.

9           When you talk about Good Wills or any other  
10 charities, 20 percent is not high. They can document, and  
11 they do document. But material is not only dropped off at  
12 their site, but they have locations where people drop  
13 material off. Whether they are TVs, whether they're  
14 computers, they think that's the place they ought to drop  
15 them off. So people drive by and drop them off. They  
16 have huge amounts.

17           I can tell you the rescue mission in two  
18 facilities in San Fernando Valley went to source  
19 documentation. They have been doing it. Said can't do it  
20 any more. They dropped off my site as of last week.  
21 Said, "Please, I can't go through this pain and suffering.  
22 It's just too much time and effort for the return of money  
23 invested." And it is.

24           For those kinds of institutions, for someone  
25 standing in line in the load check at a landfill or a

1 transfer station -- and you've been there. You've seen  
2 the trucks lined up. You're talking about how much are  
3 they paying to get through. And when they come through,  
4 they get a name and address. Now you got one guy in that  
5 line for 30 minutes comes by with one computer, one  
6 monitor. And you say, "Drop it over there, I need your  
7 name and address." It's ridiculous, and you know it is.  
8 Those issues have to be addressed.

9 CHAIRPERSON MARIN: Let me ask you this, because  
10 what about the legitimate concern of out of state?

11 MR. Kazarian: Let's figure it out. We need to  
12 record -- you know, we're recyclers. I document Julie  
13 Dunn. She's mad at me half the time because when I  
14 explain to her what is abandoned material, what doesn't  
15 have a name and address on it and it's not good, it's been  
16 rejected. She's picked it up. She's paid for it. She's  
17 transferred it over. She's brought it to me. It's not  
18 acceptable. That's my job. She can be as mad as I want.

19 I've even called your Board and had them come  
20 down and look at material that I question that I did not  
21 accept and that I rejected. And that wasn't because they  
22 were trying to sneak it in. They had bought it here, used  
23 it out of state, and brought it back. A company who  
24 thought it's okay. They're a California company. And I  
25 had to explain to them once it's left the state, it's not

1 acceptable. The abandoned out-of-state material at this  
2 point is probably minor, if at all, one to three percent.  
3 And you're making it so onerous for the 97 percent that  
4 it's ridiculous.

5           There is nothing wrong with recording how this  
6 material came in and where it came from. And you can't  
7 tell where it came from. But if a truck, if a semi comes  
8 to the landfill and has a semi load of CRTs on it, CEWs,  
9 you should record that material. You should get something  
10 from the driver. You should know where that's from.  
11 That's not abandoned material from the sense of you can  
12 document at least where that came from.

13           But if you pull it out of a load check, you pull  
14 three monitors, four monitors, do you think somebody drove  
15 from out of the state to drop off three monitors in some  
16 guy's garbage truck? Let's be practical and let's be  
17 reasonable here.

18           There is an amount. There is a way to do this to  
19 make sure this system is safe. But to try to protect  
20 against the 1 to 3 percent and make it 97 percent  
21 difficult is ridiculous. We all want to do the right  
22 thing. None of us -- do you think any of us are going to  
23 jeopardize our businesses for 3 percent?

24           Again, it just doesn't make sense. I want to  
25 protect the system as much as anybody, but that onus has



1 been put on me. The state doesn't protect them. I'm  
2 doing it. I'm paying the collector. I'm enforcing the  
3 collector. You should be paying me. But I do. I am in  
4 charge of whether their material is good, whether I reject  
5 it, whether I accept it and I turn it into the state.  
6 Okay. I'm the enforcement agency. Recyclers are the  
7 enforcement agency. And they're the mechanism to pay the  
8 collectors.

9           So I really think that that concern is a concern,  
10 but can be protected adequately. But I think the intent  
11 of this law has been usurped, and there's a disconnect  
12 between worrying about that and keeping it out of the  
13 landfill. And that disconnect is what's causing us the  
14 problem today.

15           The changes we're supporting I think need to be  
16 worked on, and we need to work together. I think we are  
17 close. I think it ought to be open to the public. I  
18 think we ought to have those hearings on them. But I  
19 think there's nothing wrong, because I believe that's a  
20 segment we deal with. When you talk about rubber meets  
21 the road, we're the rubber and we hit the road.

22           CHAIRPERSON MARIN: I appreciate that,  
23 Mr. Kazarian. And maybe some of the representatives from  
24 both Apple and HP can talk to you and you can talk to them  
25 as well with the challenges you face.

1           And we have come to the conclusion with our last  
2 speaker, Mr. Evan Edgar from CRRC.

3           MR. EDGAR: Madam Chairman, Board members, and  
4 Carl Washington, I'm here today because we highlighted  
5 this issue back at the March Board meeting in this room  
6 talking about this problem. We're hoping to solve it  
7 during some sort of regulatory or administrative process.  
8 And on behalf of CRCC, California Refuse Removal Council,  
9 we work with over 100 jurisdictions with 50 MRFs and  
10 transfer stations. We aren't able to solve this  
11 administratively as an agent to the city. I'm batting one  
12 out of five. A lot of cities didn't want to become an  
13 agent because of assumed liability.

14           So we went down the legislative route this year  
15 late in the session trying to find a legislative solution.  
16 We couldn't do that. So we're here today with final  
17 emergency regs, and they are important. And I'm sure  
18 they're so important we can wait until November with  
19 another workshop, because of a lot of issues on the table.  
20 But we can't wait until next year, and we can't leave no  
21 computer behind. Because at the 50 transfer stations I  
22 represent and the 12 landfills that I represent as part of  
23 the California Refuse Removal Council, there is a ban. We  
24 cannot take it at the landfill. We don't take it there.  
25 So we're stuck with it by default.

1           And as authorized collectors and permitted  
2 facilities with approved load check program, we are  
3 responsible. And what we catch at the front of our gates  
4 as part of the load check program is significant. I'll  
5 conduct a survey on the amount of illegally disposed and  
6 abandoned and load checked waste with the LEA load check  
7 program that I get from the 50 MRFs I represent. It is  
8 significant. We're not making IPODs. We've having a lot  
9 of trash in America. And in California we're recycling it  
10 at many of our facilities, so bring that information to  
11 the Board.

12           But we have to get back to the intent of the Act.  
13 I see the three bullets up there about providing financial  
14 relief for the managed covered electronic waste. Within  
15 the intent of the Act, it talks about California sources.  
16 We didn't get into the agents or designated. Those are  
17 regulatory terms that have evolved.

18           So getting back to the intent of the Act, I'm  
19 sure from the California sources we can discuss that with  
20 these emergency regulations. We want to foster cost-free  
21 recycling opportunities for the consumers through the  
22 state. And by default, my industry has, because people  
23 dump on us. We don't get paid back. It's cost free to  
24 them, because we are providing free and convenient  
25 opportunities when it ends up as load check waste at our

1 gates at our landfills and we've got to manage it. And we  
2 want to reduce illegal dumping every day.

3 And we have to have an incredible system in  
4 place, because coming February '06 from the residential  
5 sources, we have to get lined up for mercury, lamps,  
6 batteries. And we have a universal waste regulation  
7 coming to us. Once again, my industry at our MRFs and  
8 landfills there will be a ban of all  
9 residentially-generated florescent tubes and batteries and  
10 switches. We have to be able to handle that.

11 So what I'm saying is that we have to reduce  
12 illegal dumping. We have to do it CRTs. We have to have  
13 a credible system, and go back to the intent of the Act  
14 that California sources at permitted facilities are from  
15 California. We're not inciting that business. We're not  
16 a double agent for out-of-state waste. We're in the  
17 state. We're here. We're designated hitters. And we  
18 have to manage it. We want to do it in a manner that is  
19 cost effective to the community but within our permit  
20 limitations. And we're not going to jeopardize our  
21 permits for out-of-state waste.

22 Thank you.

23 CHAIRPERSON MARIN: You're saying the same thing  
24 that Mr. Kazarian was saying. Okay.

25 Thank you, Mr. Edgar. And thank you, all. This

1 has been enlightening. And hopefully it's getting us to  
2 understand the other sides of our position.

3 So we will go ahead and schedule another workshop  
4 and hopefully bring this back in November in San Diego. I  
5 really appreciate all of your time and effort, all of you.  
6 It's painful, but it's necessary. So we'll just deal with  
7 this, and I think that we're much closer to a resolution  
8 than people expect.

9 So okay. Last, but not least, we have one last  
10 item. Who's going to do that, Judy?

11 ACTING DEPUTY DIRECTOR FRIEDMAN: Yes, Madam  
12 Chair. Board Item 16, Consideration of Approval of Scope  
13 of Work for E-Recycling Partnership Development and Public  
14 Awareness Program, Electronic Waste Recovery and Recycling  
15 Account, Fiscal Years 2005-2006 and 2006-2007. Chris Peck  
16 will be making the presentation.

17 MEDIA/OUTREACH SERVICES SUPERVISOR PECK: Good  
18 afternoon, Madam Chair, Board Member Washington.

19 Agenda Item 16 seeks the Board's approval of a  
20 Scope of Work for a contract to support the public  
21 information needs of the Electronic Waste Recycling  
22 Program and would allocate \$1 million, \$500,000 each in  
23 the current fiscal year, and in 2006-2007 for this  
24 contract which staff proposes to let through a competitive  
25 Request for Proposals process.

1           Prior to the effective date of the e-recycling  
2 fee, the Board did allocate \$200,000 from the Integrated  
3 Waste Management Account that was in the 2003-2004 fiscal  
4 year to initiate public information activities to support  
5 the new law. We contracted with Earth Communication's  
6 Office for this effort, which focused primarily on the  
7 creation of a consumer-friendly website at  
8 [www.erecycle.org](http://www.erecycle.org) that was launched in December 2004 as a  
9 portal for public access for information about the law and  
10 recycling opportunities and on the development of a public  
11 service messaging campaign to promote the website.

12           Through August 2005, television PSA airings  
13 totaled more than 1,000 with more than \$13.4 million  
14 impressions in a dollar a value exceeding \$150,000 after  
15 six months of tracking. So we spent \$200,000. On the  
16 television PSAs alone, we've gotten the value back equal  
17 to about three-quarters of that. And they don't really  
18 track the radio PSA airing in the same manner, so we could  
19 put a number on that and maybe in two weeks when we come  
20 back to the Board I can do that.

21           But I wanted to say the other thing we attempted  
22 to do with the initial contract was to develop some  
23 manufacturer sponsorship for the program, and we had very  
24 modest results. We got some input from both Panasonic and  
25 IBM at the time. And I guess they're all gone, but we

1 want to really work harder this time around on  
2 manufacturer support and would love to have HP and Apple  
3 at the table with us helping to support this effort.

4           The approach that we're taking -- actually, I  
5 wanted to say that we're still -- if you talk to the  
6 E-Waste Program staff, there's pretty strong evidence that  
7 there's still a lack of information and some  
8 misinformation about the new law and the fee that's out  
9 there. We're hearing complaints from consumers relating  
10 to the fee, how do I get my deposit. People sometimes  
11 still don't get this is not a deposit. It's a fee. The  
12 lack of recycling opportunities, where can I take my old  
13 stuff. And charges, charges for recycling when they go to  
14 recycle it. I already paid my fee. So these concerns are  
15 again a pretty strong evidence there's still a disconnect  
16 between the operation of the law and public understanding  
17 of it.

18           So our approach in the Scope of Work, which is  
19 Attachment 1 of the agenda item, is designed to increase  
20 public understanding of both the purposes and benefits of  
21 the California law to achieve more consistent consumer  
22 messaging in the retail environment and to strengthen  
23 participation by electronic manufacturers and retailers in  
24 the public education effort.

25           Work to be performed includes, but is not limited

1 to, the following: Developing a partners program to  
2 identify and support the needs of the retail electronic  
3 sector; creating sample consumer point of purchase  
4 messaging and formats that can be easily utilized by  
5 retailers and branded for their own use; implementing a  
6 sponsorship program seeking a million dollars in matching  
7 support from electronics manufacturers; facilitating  
8 promotions by retail and manufacturer partners that  
9 encourage free and convenient recycling opportunities;  
10 publicizing the operation and success of the California  
11 Electronic Recycling Law through print and electronic  
12 media; operating a speakers bureau that utilizes Board  
13 members, Board staff, and third-party spokesperson; and  
14 enhancing the [www.erecycle.org](http://www.erecycle.org) website as the internet  
15 portal for public information about the law and recycling  
16 opportunities; developing guidelines for licensing use of  
17 [erecycling.org](http://erecycling.org) as a brand and assisting in the review of  
18 licensing applications. And that is something we do in  
19 concert with the Board's Legal Office. Seeking key  
20 stakeholder perspectives on campaign development and  
21 implementation through a formalized advisory group; and  
22 evaluating the success of this effort.

23           Staff proposes to solicit proposals for this  
24 effort through a competitive Request for Proposal process  
25 on approval of the Scope of Work by the Board. It is



1 staff's intention to use the secondary RFP process in  
2 which the cost proposal is a significant element in the  
3 evaluation of proposals. However, cost is not the  
4 deciding factor in awarding the contract. The methods,  
5 approaches, and procedures to be used in performing the  
6 work are of primary importance.

7 That's a quick overview of what we've included in  
8 the Scope of Work, and we'd be happy to respond to any  
9 questions. But we seek your approval to move forward to  
10 the Board.

11 CHAIRPERSON MARIN: Thank you, Chris.

12 I believe that we need to have something like  
13 this. I'm concerned that we don't have -- in so far as  
14 the objective, that is a measurable objective. I know  
15 that it's measurable in the sense of how much money we're  
16 going to spend. But two years after I spend a million  
17 dollars, what is it that I'm going to get for a million  
18 dollars? I know we're going to get materials, and I know  
19 we're going to get a speakers bureau. But after we do all  
20 of that, are we going to have -- informing the public, you  
21 know, 20 percent more will be aware of our -- of the  
22 public in California will be aware of this recycling. I  
23 don't know.

24 At the end of the day -- and I have asked this of  
25 all of the contracts. We need this. But when we do all

1 of the speakers bureau and when we do the trainings, what  
2 is tangible? What are we looking for? Are we looking for  
3 specific reduction or an increase of e-waste recycling by  
4 10 percent or 50 percent? What is it? And I want to be  
5 able to measure this, because that is going to be -- the  
6 people that are going to bid for this one million dollar  
7 project, they're going to say, We give you a million  
8 dollars, "I'm going to do all this. I may not do some of  
9 this, but I'm going to get you 10 percent more recycling  
10 knowledge in California." I'm just making it up.

11 I think that -- and I know it's difficult to  
12 think in those terms, but I'm wondering if we can come up  
13 with a goal. If you know the goal, if we know a goal of  
14 what we're attempting to do -- and maybe we need to come  
15 up with what the goals are. We have the law that says we  
16 need to do a number of things. But as we move into  
17 educating people, it might be a good idea to come up with  
18 some goals. And we may be able to attain them. We may  
19 not be able to. But this is what we're attempting to  
20 achieve.

21 And I don't even know whether a million dollars  
22 is enough for all of the things you guys want to do.  
23 Quite frankly, I'm looking at it like, wow. But at the  
24 end of the day, what is it that this is going to get us?  
25 And maybe we can put our heads together before the Board

1 meeting to see what would be a reasonable goal of spending  
2 this million dollars.

3 PUBLIC AFFAIRS OFFICE ASSISTANT DIRECTOR MYERS:

4 We will definitely address the measurement needs on this  
5 contract. And when we come back to the Board in two  
6 weeks, we can work with the E-Waste staff between Public  
7 Affairs and E-Waste staff to come up with some tangible  
8 measurements on where we will bring I guess our -- how  
9 we're going to be able to measure the result of this  
10 contract. So I'll have that for you at the Board meeting.

11 CHAIRPERSON MARIN: Thank you.

12 COMMITTEE MEMBER WASHINGTON: Just a couple  
13 things. Let me express my gratitude in terms of bringing  
14 in the manufacturers. I think I had a chance to speak  
15 with Chris about making sure that we had the manufacturing  
16 folks a part of this whole process, because they really  
17 are key players here.

18 But I also wanted to find out, will there be an  
19 800 number? There are a lot of folks out there who can't  
20 read materials. Is there a number that we'll have  
21 available. If that's not in the -- I'm just --

22 PUBLIC AFFAIRS OFFICE ASSISTANT DIRECTOR MYERS:

23 I believe we've addressed that issue when we were creating  
24 the erecycle.org. And I can't recall -- I'm looking down  
25 there, Jeff, hoping that I have a response.

1 ELECTRONIC WASTE RECYCLING SECTION SUPERVISOR

2 HUNTS: Jeff Hunts, Supervisor with the E-Waste Program.

3 The Board currently maintains directories and  
4 databases to provide consumer information. We also point  
5 people to existing 800 types of numbers. There is 1-800  
6 cleanup. The Board, as you may know, several years ago  
7 maintained its own hotline. That was done away with. So  
8 at this point, to the best of my knowledge, within the  
9 Scope of Work, there's not a recommendation proposal to  
10 establish a new 800 number, but that there would be phone  
11 options for those who don't have ready access to Internet  
12 information.

13 COMMITTEE MEMBER WASHINGTON: And how many  
14 languages would this have? Have you had decided on,  
15 besides English and Spanish?

16 PUBLIC AFFAIRS OFFICE ASSISTANT DIRECTOR MYERS:  
17 That's something we'll work with the contractor on to  
18 develop the target communities when we're doing the actual  
19 public outreach. When we're dealing with the retailers,  
20 we'll work with them on the communities that the retailers  
21 are serving, and same with manufacturers.

22 As far as the 800 number, that is also something  
23 that we can take a look at, work with contractors, see  
24 what the needs are to develop, if we need to develop an  
25 800 number for people to call into.

1 COMMITTEE MEMBER WASHINGTON: Great.

2 MEDIA/OUTREACH SERVICES SUPERVISOR PECK: I just  
3 want to make one comment on the idea of the 800 number.  
4 That's certainly something we can include, and we'll talk  
5 with the E-Waste staff about that.

6 That ties directly back, though, Chair Marin, to  
7 your comments and concerns about evaluation and  
8 measurement. One of things we're trying to do is to  
9 educate the public. If we actually have a way to capture  
10 all those calls that are coming in, because currently they  
11 come in in different parts of the organization, and  
12 there's no real way for us to say these are all the calls  
13 we're getting and be able to chart how we're doing and  
14 whether behavior and those complaints are changing over  
15 time. If we had an 800 number, we might be able to do  
16 that more easily.

17 ELECTRONIC WASTE RECYCLING SECTION SUPERVISOR  
18 HUNTS: Madam Chair and Mr. Washington, just piggybacking  
19 on what Chris is saying and Mr. Washington's comment about  
20 bringing manufacturers in, the beauty of the erecycle.org  
21 project, which was a partnership with manufacturers,  
22 helping them fulfill an aspect of the Act I think is often  
23 overlooked.

24 The Act is often seen as this advance recycling  
25 fee. It didn't do product stewardship. One of the things

1 it did do was place a responsibility on equipment  
2 manufacturers to provide consumer information. And they  
3 can do that in any number of ways. We've taken the step  
4 through erecycle.org of working with the manufacturer to  
5 provide this information in a very quantifiable manner.  
6 We can go down to the page level within the website and  
7 know how many times those pages were visited, how many  
8 times the database was queried. So that's a very readily  
9 available measurement tool, you know. After a certain  
10 amount of outreach, how do our hits go up?

11 CHAIRPERSON MARIN: Okay.

12 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
13 like to move adoption of Resolution 2005-304.

14 CHAIRPERSON MARIN: I'll second that.

15 CHIEF COUNSEL CARTER: Excuse me, Madam Chair. I  
16 might suggest that you wait until you see the revisions on  
17 the Scope of Work.

18 COMMITTEE MEMBER WASHINGTON: You want us to hold  
19 off?

20 CHIEF COUNSEL CARTER: Yes.

21 COMMITTEE MEMBER WASHINGTON: I withdraw my  
22 motion.

23 CHAIRPERSON MARIN: I second your withdrawal.

24 Okay. Anything anybody else wants to address  
25 this Committee on? No. Okay. Thank you so very much.

1 This Committee is adjourned.

2 (Thereupon the California Integrated Waste  
3 Management Board, Sustainability and Market  
4 Development Committee Adjourned at 1:20 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand  
3 Reporter of the State of California, and Registered  
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the  
6 foregoing hearing was reported in shorthand by me,  
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the  
8 State of California, and thereafter transcribed into  
9 typewriting.

10 I further certify that I am not of counsel or  
11 attorney for any of the parties to said hearing nor in any  
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand  
14 this 18th day October, 2005.

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